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CONTENTS

Latin America

Vol VI No 236 *9 December 1985*

INTER-AMERICAN

15th OAS Meeting Continues in Cartagena A 1
Colombian Minister Reviews Problems [DPA] A 1
C.A. Resolution Approved [AFP] A 1
Arms Limitation Resolution Passes [AFP] A 2
Venezuelan President Opens SELA Meeting in Caracas [Caracas] A 3
Cuba's Alegrett, Rodriguez on Role [Caracas] A 3
Further Rodriguez Remarks [NOTIMEX] A 4
Brazilian Foreign Minister Speaks [AFP] A 5
Sepulveda Urges Cooperation [Mexico City] A 6
Sepulveda Views Debt Problem [NOTIMEX] A 6
Rodriguez Terms Debt 'Unpayable' [AFP] A 7
Peru's Wagner on Debt [AFP] A 7
Nicaragua's Ramirez Scores U.S. [AFP] A 8
Official Urges Interest Rate Cuts [NOTIMEX] A 10
Consensus Reached on GATT Stand [EFE] A 10
Declaration Rejects Protectionism [AFP] A 10
Parliamentary Conference Opens in Mexico City [Mexico City] A 12

ARGENTINA

Former Leaders To Be Sentenced 9 December B 1
Spokesman Denies Amnesty B 1
[BUENOS AIRES HERALD 6 Dec]

BOLIVIA

Senate Approves Promotions for Sejas, Others C 1
ADN Protests C 1
Acting Foreign Minister on Landlocked Problem C 1
PRC Delegation Offers Agrarian Cooperation C 2
Gasoline Price Increased, Transport in Chaos C 2

BRAZIL

Sarney Promises 'Substantial Changes' in 1986 D 1
Cabinet Change in February D 1
Senate Approves Economic Package; Sarney Pleased D 1
Planning Minister Comments D 1
DAILY POST Views Package [7-9 Dec] D 2
Finance Minister Comments on Stand Toward IMF D 3
Chief of Staff Supports Nuclear Cycle Research D 4
[O GLOBO 5 Dec]
Chaves Refuses To Comment D 5
[FOLHA DE SAO PAULO 6 Dec]
Chief of Staff To Head Delegation to Nigeria D 5
[O GLOBO 5 Dec]

CHILE

Pinochet Says 'Principles' To Continue After 1989 E 1
Official Discusses Matthei, Pinochet Remarks E 1

CENTRAL AMERICA

EL SALVADOR

Venceremos on Downed Nicaraguan Helicopter P 1
Farabundo Marti Explains FMLN Dialogue Proposal P 2
Part 1 P 2
Part 2 P 3
Part 3 P 4
Ungo Says Rebels Considering Christmas Truce P 5
Rosas Chavez Fears Mayors Were 'Executed' P 6

GUATEMALA

Runoff Elections Held 8 December; Cerezo Wins P 6
Army Reports 'Total Calm' P 6
'Few' Participate in Voting P 7
Carpio Concedes to Cerezo P 7
Cerezo Thanks Opponent P 8
Military To Be Apolitical P 8
GAM Marches on Supreme Court of Justice P 9
Advisers Asked To Leave P 9

NICARAGUA

Ortega News Conference Views SAM Incident P 10
Ortega Letter to UN P 15
Pasos, Tinoco News Conference P 17
Envoy on Call to UN [DPA] P 19
Protest Note to Honduras [ACAN] P 20
Nunez on Shultz Statements [AFP] P 20
Demonstration at U.S. Embassy [AFP] P 21
CST Leader Urges Mobilization P 21
Diplomatic Relations Established With PRC P 21
Taiwan Suspends Relations [AFP] P 22
Further Reportage [cross-reference] P 22

15TH OAS MEETING CONTINUES IN CARTAGENA

Colombian Minister Reviews Problems

PA070440 Hamburg DPA in Spanish 1936 GMT 6 Dec 85

[Excerpts] Cartagena, 5 Dec (DPA) -- Colombian Foreign Minister Augusto Ramirez Ocampo, president of the OAS assembly, asked the organization today to fight drug trafficking -- which he described as an "international plague" -- with courage until it is eliminated.

I believe that the main concerns of the delegates participating in the OAS assembly, which continues in Cartagena and will close on 13 December, are the peace issue and the discussion of phenomena currently looming over and constituting a burden to the security of citizens, he said. Among other things, he mentioned the arms race, regional conflicts, terrorism and drug trafficking, human rights violations, and the influence of the foreign debt on the development of American societies.

He said: In the framework of this peace aspiration, I believe that the Contadora Group and Central American foreign ministers will make some progress within the dialogue. "The concept that peace is not gratuitous but must be built up as the days go by applies perfectly to this case." He added: "Contadora moved backwards at no time. It is true that it has made temporary stops during difficult times, but drawbacks became great encouragements and renewed determination to reach agreements."

The assembly president also analyzed the foreign debt problem in Latin America and noted that it is most painful to acknowledge that this is the aspect in which a lack of solidarity is more apparent among developing nations. The Colombian foreign minister said: "The service of the debt alone is burdensome; if there is no dialogue to overcome the discourse phase, any progress will simply be imaginary."

In discussing the arms race, Minister Ramirez Ocampo said that this issue has broad implications. "The objective is to divert important resources from the arms race to social and economic development programs." He added: "In the past 8 years funds spent on the arms race increased by more than 150 percent. That is more than 30 percent of the foreign debt growth during the same period. That action would in turn make coexistence between states more smooth, without the fears and distrust created by unreasonable increases in war materiel purchases." [sentence as received]

The assembly president said: We can no longer avoid discussing a subject with such broad repercussions as the Malvinas Islands issue, "which generated a feeling of solidarity as well as frustrations in our hemisphere." Ramirez Ocampo added: "A just and equitable solution to the Malvinas case goes hand in hand with the acknowledgement of Argentine sovereignty over that territory."

C.A. Resolution Approved

PA081229 Paris AFP in Spanish 2348 GMT 7 Dec 85

[Text] Cartagena, 7 Dec (AFP) -- The 15th OAS General Assembly approved a resolution today urging Central American countries to continue negotiating within the framework of the Contadora Group but did not mention the U.S. role in the conflict.

After 24 hours of negotiations between area countries, except for Nicaragua and the Contadora and Support Groups, the regular OAS assembly approved a project presented by Honduras, El Salvador, and Costa Rica. Only the Sandinist government delegate abstained from issuing a favorable vote, asking the assembly president to put his abstention on record.

Alejandro Bendana, secretary general of the Nicaraguan Foreign Ministry, said that he abstained because he cannot support a project not in keeping with the interests of his country. He said that while the document urges Central Americans and Contadora to persevere in their negotiating efforts, "it does not even mention the United States, which is placing obstacles to peace in Central America by supporting counter-revolutionaries."

The second point of the document reads: "Urge Central American countries and the Contadora Group to persevere in their efforts to finalize negotiations leading to the signing of an agreement for peace and cooperation in the region."

Bendana asked: "Where is the reply of this assembly -- the OAS -- and the reply of dignified countries that make it up to the U.S. attack on a country that is also a member of this organization?" He urged the assembly to speak clearly, because "we cannot continue to call on countries with ties in the region or call only on Central American countries; we must call on the right country: the United States," said Bendana, as he made a solitary defense of his position.

For his part, Richard McCormack, U.S. ambassador to the OAS, said: "This document shows that the organization is not indifferent to the Central American conflict." He reiterated a call on the Sandinist government to bring back the original spirit of its revolution.

While this resolution, which does not favor Nicaraguan interests, was approved in the plenary session of the assembly yesterday, the Commission for Economic and Social Affairs failed to pass a resolution demanding that the Ronald Reagan administration lift an economic embargo against Nicaragua. Regarding this, Bendana told AFP that while Nicaragua achieved a great diplomatic victory with a condemnation in that forum [not further specified] of the trade blockade, it was not possible at the OAS "because the United States puts it influential machinery to work here."

Arms Limitation Resolution Passes

PA081545 Paris AFP in Spanish 2358 GMT 7 Dec 85

[Excerpts] Cartagena, 7 Dec (AFP) -- The OAS today approved by consensus a draft resolution on the limitation of conventional weapons that recommends the study of means to strengthen relations of trust among the states of the region. This consensus formula was drawn up at Brazil's request after it announced its opposition to the original text of the resolution, which called for "the drawing up of mechanisms to regulate the increase of weapons and troops in the region and to guarantee a lasting peace."

Brazil questioned the adoption of "a regional view of the disarmament problem" and warned that Latin America "cannot separate itself from the world" on this topic. It said that it was dangerous "to embark on a disarmament activity that does not have a counterpart" in other regions of the world.

The resolution approved reiterated previous statements of other inter-American conferences, recommending that, "without detriment to the requirements of national seucurity, military expenditures should be limited as recognition that the demands of economic development and social progress make necessary the utmost use of the available resources in Latin America to meet those demands."

It noted that the protocol on reforms that was signed in Cartagena on Thursday "established that an essential objective of the OAS" is the achievement of an effective limitation of conventional weapons that will permit the greatest use of resources in the economic and social development of the member states." [quotation marks as received]

At Brazil's request, the OAS agreed to entrust Secretary General Joao Baena Soares with the task of carrying out consultations on the topic with member states and presenting to the next general assembly a full report on the result of these efforts.

VENEZUELAN PRESIDENT OPENS SELA MEETING IN CARACAS

PA070351 Caracas Television Service in Spanish 0000 GMT 7 Dec 85

[Report by Elsy Barroeta]

[Text] SELA must seek a negotiation strategy that allows us to defend the area's economic interests, Venezuelan President Jaime Lusinchi asserted during his speech to install SELA's first Latin American Council.

[Begin recording] [Barroeta] The Central Park's [Convention Center] large rooms were occupied at noontime by the Latin American countries' representatives, who began their meeting today to evaluate the economic situation in Latin America and the Caribbean. In addition, they will analyze new actions to improve the economic situation in this American area, within the framework of Latin American integration.

The meeting is taking place on the 10th anniversary of SELA's creation, and President Jaime Lusinchi began his opening speech by noting this fact. The head of state later recalled the efforts made by the international organization to date and, in summarizing the organization's actions, said: We have been slowly overcoming our lack of defense against external situations, while building a cohesive system of principles and policies. President Lusinchi later stressed some aspects concerning SELA's future, bearing in mind the needs which still prevail.

[Lusinchi] We have undoubtedly failed to find the way of feeling that we are a community of nations. Instead of reasserting definitions which are well-known by everyone, we must now seek a negotiation strategy that allows us to promote our interests at every level in a coordinated and interrelated way. We must make our positions prevail and defend our regional and national goals. SELA is a decisive instrument to achieve this at this critical hour.

[Barroeta] The Latin American representatives' meeting in this important economic forum shall, of course, continue, and we will remain alert to report whatever conclusions may be reached on improving the Latin American and Caribbean economic situation. [end recording]

Cuba's Alegrett, Rodriguez on Role

PA071322 Caracas Television Service in Spanish 000 GMT 7 Dec 85

[Text] Shortly before President Jaime Lusinchi officially opened the SELA meeting, significant statements by SELA Permanent Secretary Sebastian Alegrett and Cuban Vice President Carlos Rafael Rodriguez were heard.

[Begin recording] [Reporter Carlos Fernandez] The two men made an in-depth summary of Latin America's integration and stressed both the difficulties and benefits which have arisen in the past 10 years.

Permanent Secretary Sebastian Alegrett noted that these have been 10 years at the service of Latin America's cause, and Cuban Vice President Carlos Rafael Rodriguez stated that it has brought about useful results. The two men both mentioned the economic situation in the region and came to the conclusion that SELA's role must be strengthened.

[Alegrett] We will be able to continue advancing increasingly and will strengthen our unity, based on mutual respect and nondiscrimination, to increase our solidarity and successfully counter the policies of power that are the root of the crisis which has led to the international system's division.

[Fernandez] Cuban Vice President Carlos Rafael Rodriguez placed greater emphasis on Latin America's economic situation and the debtor countries' problems with paying their debts to international creditor banks. Nevertheless, he reasserted the historic importance of our integration process.

[Rodriguez] If SELA seemed an appropriate solution 10 years ago, it must become a real center of joint, specific, and unavoidable actions now.

[Fernandez] The final resolutions of SELA's Latin American council will probably be revealed tomorrow. If the discussions are extended, the final conclusions of this important forum will be revealed on Sunday. [end recording]

Further Rodriguez Remarks

FL062318 Mexico City NOTIMEX in Spanish 2005 GMT 6 Dec 85

[Text] Caracas, 6 Dec (NOTIMEX) -- Latin America has been a victim of its own parochialism and insufficient regionalism; its historic fault is that each country is looking for individual solutions to its problems, and this is why we are manipulated and dominated, Cuban Vice President Carlos Rafael Rodriguez asserted today. At the opening ceremony marking the 10th anniversary of the SELA, Rodriguez pointed out that the emergency measures taken by Peru in reducing its [foreign debt] payments and calling for solidarity only minimize and postpone the problem.

He strongly criticized the so-called Baker Plan, which is aimed at making the Latin American economy a private one. He said that this plan has come too late, is insufficient, and should also be considered dangerous.

The Cuban vice president noted that the Latin American unity is facing a problem: It is difficult to achieve this when our countries' production goes to industrialized ones -- where less than 10 percent of the world population lives -- or when Latin America has to join consumer societies of developed countries, subjecting us to competition. However, we need to bear in mind that tens and hundreds of thousands of men and women are removed from consumption because of an unfair social structure which will never be modified, he said, noting that unity is thus further away.

Rodriguez said it is too soon to think the unification process is dead. If developed countries -- socialist or capitalist -- can unite because of their development, we can try to unite based on our common problems. At the meeting at which Venezuelan President Jaime Lusinchi was in attendance, Rodriguez asserted that the new international economic order -- which for some is unattainable or far away -- is a progressive global force which is bringing us together and allowing us to rescue elements which strengthen our position.

SELA Permanent Secretary Sebastian Alegrett said the future of SELA depends on this meeting, which was called when the first signs of the crisis were noted, and the organization has matured during a critical time.

He urged the governments of the region to overcome the foreign debt's vicious cycle in which there are no resources for development because loans are not denied, forced policies are imposed, economies are brought to a standstill, unemployment increases, salaries are reduced, and insecurity is created, and all this creates a negative climate for domestic and foreign investment.

He said that this meeting is aimed at encouraging regional cooperation as opposed to the unfair international trade that some industrialized countries attempt to impose on the world. Their system is based on these unfair practices.

The SELA permanent secretary said that neither the region's precarious economic situation -- mainly due to the large foreign debt -- nor the natural disasters which occurred in Mexico and Colombia are catastrophic. They have strengthened Latin America's solidarity spirit and its resolute dialogue, cooperation, and multilateral activities.

Brazilian Foreign Minister Speaks

PA071338 Paris AFP in Spanish 2300 GMT 6 Dec 85

[Excerpts] Caracas, 6 Dec (AFP) -- Brazilian Foreign Minister Olavo Egidio Setubal today urged SELA to contribute to giving its 25 member countries "a clear view" of what is at stake at the next GATT (General Agreement on Tariffs and Trade) meeting. The Brazilian foreign minister was the first speaker at the plenum of the ministerial session of the 11th Latin American council held by SELA.

"The beginning of the preparatory process for a new round of trade negotiations acquires greater urgency on the matter of coordinating positions in Latin America," he said. He stressed Brazil's concern that "financially, insufficient initiatives by the developed countries are attempting to replace the necessary reform of the monetary system."

"In the trade sector, we help on one hand to increase protectionist measures as well as the growing resources of bilateralism, and on the other we support some developed countries' insistence in promoting a round of broad, multilateral trade negotiations that will cover areas that are beyond GATT's domain, such as services, investments, and intellectual property," he said.

Setubal stressed that Brazil advocates the full execution of the work program agreed upon at the ministerial meeting of GATT members in 1982. He said that the industrialized countries refuse to make firm commitments to refrain from applying new restrictive trade measures and removing those that would be considered abnormal by GATT.

Meanwhile, the Brazilian foreign minister urged Latin America to "dedicate special attention to the technological issue" in the region. "Technology is an unyielding process of socioeconomic transformation, and if we do not keep up with its development, we will be condemned to underdevelopment," he said.

Setubal said that Latin America needs to regain its growth and that economic growth is even more necessary at this time when many Latin American countries are trying to consolidate their internal democratic processes. Regarding the debt, he cited Brazilian President Jose Sarney's position at the United Nations that "the debt does not make us doubt; we have opted for growth without recession, without surrendering to adjustments that would mean giving up development."

Sepulveda Urges Cooperation

PA070254 Mexico City XHDF Television Network in Spanish 0100 GMT 7 Dec 85

[Text] Mexican Foreign Secretary Bernardo Sepulveda said today in Caracas that Latin America needs closer cooperation to make its economy less vulnerable to international fluctuations. SELA member countries are meeting in the Venezuelan capital to mark the 10th anniversary of the founding of SELA. At the opening ceremony Venezuelan President Jaime Lusinchi concurred with the Mexican foreign secretary when he proposed the unity of Latin America to seek solutions to the economic crisis.

Speaking on behalf of our country in Caracas, Sepulveda said that the most immediate challenge for Latin America is to seek new ways to reach regional agreements.

Sepulveda Views Debt Problem

FL071730 Mexico City NOTIMEX in Spanish 2345 GMT 6 Dec 85

[Text] Caracas, 6 Dec (NOTIMEX) -- Mexican Secretary of Foreign Relations Bernardo Sepulveda today urged the international community to reverse the transfer of well-being from developing countries to industrialized countries. Speaking at the 13th [as received] regular meeting of SELA, Sepulveda said that in the last 3 years Latin America has transferred abroad more than $70 billion in foreign debt interest payments and capital flow. He said the foreign debt has become the principal vehicle for de-capitalizing Latin American economies. Measures must be taken, he said, to increase regional ability to maneuver in financing development and strengthening foreign trade.

He said Latin America is affected by the following four trends: greater contraction of foreign financing for Latin America, increasing interest rates, continuing deterioration of the terms of trade, and the proliferation of protectionist barriers. He said this situation makes it necessary to make internal adjustments and rechannel resources from development to debt servicing, which causes increasing social erosion and eliminates our peoples' hopes for well-being.

It is not easy to reaffirm the new democratic currents in a situation in which the level of consumption of the majority is continuously depressed, Sepulveda said. Nevertheless, he said, the governments of creditor nations have recognized the political nature and the social implications of the debt problem and have taken initiatives that imply the acceptance of the responsibility of all parties to find a solution. He demanded that governments not forget the imperative of justice to attend to the legitimate demands for the well-being of our populations, who demand effective action to lighten the load of debt servicing.

With regard to relations between SELA and the United States, the Mexican foreign secretary criticized the United States for increasing tariff barriers and adopting discriminatory instead of reciprocal criteria. He said it is urgent to make more flexible the restrictive criteria of the generalized system of preferences and the conditions of access to the U.S. market in traditional sectors in which Latin America has a comparative advantage. To this end, Sepulveda said, SELA must be strengthened, especially as a mechanism to support the expansion of intraregional trade. It is a question of taking advantage of the existing potential to consolidate regional economic security and advance in our objective of integration, he said. In conclusion, the foreign secretary said that Latin America is capable of responding jointly to the crisis and defining autonomously its own future.

Rodriguez Terms Debt 'Unpayable'

PA081644 Paris AFP in Spanish 0255 GMT 8 Dec 85

[Text] Caracas, 7 Dec (AFP) -- Cuban Vice President Carlos Rafael Rodriguez insisted today that the Baker Plan constitutes "a serious danger" and that the foreign debt, including that contracted by Havana with the Soviet Union, is unpayable. According to Rodriguez, the Baker Plan is deceptive because it does not even meet financial requirements, as $20 billion is only a part of the funds that Latin America must use to pay its foreign debt.

Rodriguez, president of SELA's 11th Latin American council, which today ended its deliberations in Caracas, said that "in the economic and political fields it is dangerous to set conditions." He added that the Baker Plan sets conditions for the privatization of Latin America's economy, which means eliminating the public sector and putting an end to the states' defensive capacity vis-a-vis producers, specifically the transnationals.

Regarding the debt, he said that "to renegotiate does not mean to render it payable. In Cuba we renegotiated it, but we consider it unpayable." He added that by postponing a part of those payments, the interest debt is being turned into capital debt. "The other alternative is to negotiate. That is no solution. Paying little is tantamount to not paying, and if a lot is owed, the debt acquires the nature of the unpayable," he maintained.

Concerning Cuba's debt, he said there is a socialist debt, mainly with the Soviet Union, which is in a state of virtual moratorium, as it has been postponed for 5 years and eventually until the year 2000. "It involves less money than is claimed but more than we would like," but Cuba does not pay any interest on it, he said.

The other debt, totaling $2.3 billion, contracted mostly with developing countries in Asia and medium-developed nations like Argentina and Spain, is currently being renegotiated because it does not have a dramatic effect on Cuba's economy, and these countries are in a difficult situation as a result of their own foreign debts. According to Rodriguez, President Fidel Castro has not ordered that payments be stopped but rather that "a unity-oriented force" be furthered "in order to create the conditions so that the debt will not be paid."

He explained that this is not a "bomb" against capitalism, as on the one hand Latin American countries proclaim their abidance by this system, and on the other President Castro's proposal suggests amortizing 10 or 12 percent of the arms expenditures in order to make amortization payments to the banks. [sentence as received] This, he said, would resolve the debt problem within a framework of "peace-oriented unity."

Peru's Wagner on Debt

PA072005 Paris AFP in Spanish 0257 GMT 7 Dec 85

[Text] Caracas, 6 Dec (AFP) -- Peru reaffirmed today in Caracas before all of Latin America that only 10 percent of export income should be applied to service the foreign debt. Speaking before his colleagues of 24 other Latin American and Caribbean countries gathered at the 11th council of SELA, Peruvian Foreign Minister Alan Wagner made three proposals that Peru considers vital for the region:

1. No more than 10 percent of income from exports should be set aside to service the foreign debt, "in order to be in a condition to reactivate the development process and to meet the urgent needs of the majority of the people." Simultaneously, "we reject the conditions imposed by the IMF and its mediation in the renegotiation processes, because this is contrary to the sovereign decision of a state to implement its own economic program," said Wagner. He added that the foreign debt is a structural problem of the financial system, and its solution can be achieved only through political dialogue. "The debt is a political problem," he emphasized.

2. Regarding the present tendencies of international trade, "we state the urgent need for agreements to reevaluate the Latin American market, to use our purchasing capacity as an instrument to strengthen the region's force to renegotiate, and to adopt measures to affect those industrialized countries that apply protectionist and restrictive measures." "We must unite our efforts to promote a liberalization of the markets of the industrialized world in favor of our exports and demand compliance with the agreements to eliminate the existing restrictions and prevent new ones from being imposed," Wagner said.

3. Regarding Central America, "we express our solidarity with the action taken by the Contadora Group (Mexico, Colombia, Panama, and Venezuela), because we share fully the conviction that the solution to the problem should be negotiated, democratic, and Latin American," the Peruvian foreign minister said.

Wagner had praise and support for SELA, which "Latin America progressively lost its identity under the specter of Pan-Americanism."

Nicaragua's Ramirez Scores U.S.

PA080047 Paris AFP in Spanish 0242 GMT 7 Dec 85

[Text] Caracas, 6 Dec (AFP) -- During his speech before the SELA council today, Nicaraguan Vice President Sergio Ramirez said that Nicaragua believes that no peace treaty in Central America will be effective if it does not have the formal commitment of the United States to respect the agreement made. Ramirez' speech introduced a new element into the council's ministerial discussions, which up to now had been focusing mainly on economic matters. Ramirez spoke of the distressing situation in his country.

After mentioning that the existence of SELA made possible the development of the concept of regional economic security in view of the coercive measures against its member states, Ramirez said that Nicaragua "continues to be the victim of economic, military, and political aggressions by the North American government." Ramirez added that as the achievements of the Sandinist revolution -- which he described as based on ideological pluralism, mixed economy, and nonalignment -- have increased, the U.S. Government "has shown its real political will," which is to destroy it.

Ramirez continued, saying that Washington "organizes and finances a war of aggression against my country, and so long as the nature of the North American government remains unchanged and the aggression is not halted, it will not be possible to speak of peace." The Nicaraguan vice president mentioned the following factors which, according to Nicaragua, worsen and escalate the situation of aggression:

-- After authorizing the disbursement of $27 million to finance "mercenary forces," the U.S. Congress authorized the Central Intelligence Agency (CIA) to provide those forces with intelligence reports, communications equipment, and air, land, and water transportation. Ramirez said that there is an office in Washington that operates publicly and is responsible for the disbursement of those funds.

-- The United States continues to jeopardize peace in Central America when it uses Nicaragua's neighboring countries as bases for the "mercenary forces." These bases have been visited by correspondents, especially North American correspondents.

-- The shooting down on 2 December of a Sandinist Air Force helicopter with a SAM-7 surface-to-air missile, given to the "contras" by the CIA, "represents an alarming escalation in the war of aggression against Nicaragua," and this is why this country has convoked a meeting of the UN Security Council.

-- U.S. Secretary of State George Shultz said in Cartagena that support for the anti-Sandinists is unchangeable and that it will continue indefinitely, even if a peace treaty is signed among the five Central American countries.

After reiterating that because of these actions peace could not survive unless the U.S. formally commits itself to cease "its aggression against Nicaragua," Ramirez said that Washington is attacking a Latin American country and "therefore is harming Latin American dignity, independence, and unity."

"We believe that the success or failure of the Contadora Group is necessarily linked to the effective way we can enforce its Latin American nature," Ramirez said. "The U.S. military bases in Central America must be dismantled, and all military maneuvers involving foreign troops must end. All the military advisers must leave Central America," he added.

"But above all, if there is no formal commitment on the part of the United States to cease all aggression against my country, then Nicaragua will not be able to accept any commitments regarding weapons or soldiers," Ramirez stressed. "We will never consent to the imposition of a state of defenselessness that would mean surrendering our country to U.S. interests and giving up our independence and sovereignty, which cost us so much blood and sacrifice to win," Ramirez stated.

Ramirez continued: "At this moment the peace process in Central America is facing this obstacle." "Nicaragua believes that the main efforts of the countries that form the Contadora Group should be toward overcoming this obstacle; only then will the conditions be right for the signing of a legal instrument that will include the basic requirements necessary to achieve peace. Only a peace which is respected by everyone can be valid and lasting," Ramirez said.

"Nicaragua is still willing to accept serious and verifiable commitments, but these must first be accepted by those who have caused so much death and destruction in my homeland. We are not asking for anything unreasonable or which is not included in international law," Ramirez stated.

Official Urges Interest Rates Cuts

FL062236 Mexico City NOTIMEX in Spanish 0429 GMT 6 Dec 85

[Excerpt] Caracas, 5 Dec (NOTIMEX) — Without a drastic reduction in interest rates and debt servicing costs, the serious economic crisis affecting Latin American nations will continue, Mexican Ambassador Jorge Eduardo Navarrete said here today. He said that although the United States has drawn up a strategy for reactivating foreign financing of debtor nations, incorporated in the Baker Plan, the resources are too small ($20 billion in 3 years) in relation to the accumulated foreign debt.

Navarrete, who is attending the 11th regular SELA meeting as an honorary consultant, said there must be balance between the entities that grant financing to debtor nations, adding that the international banking system must not be required to carry all the weight because this makes financing extraordinarily expensive due to its high interest rates.

Consensus Reached on GATT Stand

PA080326 Madrid EFE in Spanish 0042 GMT 8 Dec 85

[Text] Caracas, 7 Dec (EFE) -- Differences that arose regarding the position the Latin American countries will take to the next GATT meeting have been overcome, and the region will present a united work plan, Sebastian Alegrett, permanent secretary of SELA stated today. Alegrett made this statement in Caracas during the 11th SELA council meeting, at which delegates of 25 member countries, including 15 foreign ministers and 2 vice presidents, analyzed the commercial and financial situation of the region.

It was learned that differences arose between Barbados, which favored a "soft" position, and Brazil and Argentina, which maintained more aggressive views at the moment of deciding on the strategy to follow at the next round of talks on the GATT. Alegrett indicated that in the end a consensus was reached that will permit going to Geneva, the headquarters of GATT, as a bloc and with a unified criteria.

The SELA meeting, which began on Friday, will end its working sessions today, although it will be adjourned officially tomorrow.

Declaration Rejects Protectionism

PA081534 Paris AFP in Spanish 0209 GMT 8 Dec 85

[Text] In the Caracas declaration that ended the 11th Latin American SELA council, Latin America and the Caribbean announced today that they will take action against countries that apply protectionist and discriminatory measures against their exports, within the framework of multilateral commitments. They had earlier expressed their concern over the "industrialized countries' persistent protectionism," and the increasingly frequent use of bilateralism in conducting international trade relations.

They also expressed concern over these countries' failure to fulfill agreements to refrain from adopting new restrictive measures, to abolish those in existence, and to refrain from adopting policies aimed at distorting the preferential and differentiated treatment agreed upon in favor of the developing countries.

In the Caracas declaration, which consists of 16 points, the 25 SELA member countries supported the organization, stressing that it has made "important steps" toward its fundamental goals. These goal are to promote intraregional cooperation and to establish a permanent consultation and coordination system to strengthen the joint actions of Latin America and Caribbean in the international sphere.

The declaration stressed their desire to face the current crisis together and with solidarity and "our desire to make efforts aimed at practicing the cooperation commitments and actions contained in the declaration and the Quito action plan, thereby strengthening the region's security and economic integration [Quotation marks as received] The other points in the declaration are:

On the foreign debt, about which they reiterated the need for shared responsibility because its solution requires a united effort, they insisted on a political dialogue. In this regard they requested the following considerations: the need to reverse the flow of resources abroad and obtain new financial contributions; the need for flexible conditions to promote a "positive and symmetrical adjustment," low and stable interest rates, and the establishment of limited payments in keeping with income from exports "compatible with each country's development needs and economic and social requirements."

On GATT, they noted the industrialized countries' systematic failure to fulfill commitments and obligations agreed upon multilaterally, and they considered as priority the nonadoption of new restrictive measures ("standstill") [preceding word in English] and the abolition of existing measures ("rollback") [in English].

They also considered as priorities the preservation and improvement of special and differentiated treatment for developing countries and the broadening of access to the industralized countries' markets for certain Latin American and Caribbean products, such as agricultural products and textiles.

They expressed concern over the initiative to include topics "that are not within the domain of the general agreement" on the GATT negotiations agenda, such as services, investments, and intellectual property. The declaration urged the countries of the region to broaden their knowledge of these topics before stating if they are proper or if some multilateral action at the international level is desirable.

On coercive economic measures, they rejected the application of measures such as economic embargos and blockades, freezing of funds, suspension of loans and credit, obstruction and boycotting of international financing, the use of force in international relations, and foreign intervention "in the internal affairs of our states." This point, analysts agreed, was undoubtedly directed at the United States for its actions against Nicaragua.

On Contadora, they reiterated their support for the group's peace efforts and called on the international community to continue supporting Contadora and respect the agreements the Central American countries may arrive at thanks to Contadora, in accordance with the document of objectives approved by the Central American countries as a result of the group's efforts.

On Central America, they reaffirmed their support for integration and social and economic development and efforts to mobilize financial and technical resources through the Action Committee for the Economic and Social Development of Central America (Cadesca).

On the Cartagena consensus, they pointed out the following central criteria that immediate regional action should be aimed at: Recovering development dynamics to overcome the deadlock and resume growth in the region, restoring as soon as possible the levels of intraregional trade achieved between 1979 and 1981, and upon this basis broadening and diversifying it; and reversing Latin America's loss of capital caused by the deterioration of trade exchange, the debt, the flight of capital, and insufficient foreign financing.

On apartheid, they condemned this policy, declaring their solidarity with the black majorities and other communities in South Africa. They rejected all forms of racial discrimination and supported the sanctions agreed upon at the United Nations against the Pretoria regime.

PARLIAMENTARY CONFERENCE OPENS IN MEXICO CITY

PA061902 Mexico City XHDF Television Service in Spanish 0100 GMT 6 Dec 85

[Text] The 3d conference of presidents of Spanish-speaking democratic parliaments began in the Mexican Senate today. Antonio Riva Palacio Lopez, president of the Mexican Senate, asserted that the internationalization of political, economic, and social issues makes it necessary for Spanish-speaking nations to take joint actions. During the opening of the conference, the 15 participating countries unanimously elected Riva Palacio as the meeting's chairman. He stated that the purpose of the conference will be to achieve the greater integration of Spanish-speaking countries through dialogue and negotiation. He stressed that the conference also aims at finding formulas to balance and harmonize international relations. These formulas will abide by law and respect democratic pluralism.

During the conference, which will last 2 days, an agenda including an analysis of the democratization process in Uruguay, Brazil, Guatemala, and Nicaragua will be discussed, as well as the Spanish American nations' stance regarding the Contadora Group and the decolonization and integration processes among these countries.

Juan Carlos Pugliese, president of the Argentine Chamber of Deputies, opened the conference.

FORMER LEADERS TO BE SENTENCED 9 DECEMBER

PA061959 Paris AFP in Spanish 1836 GMT 6 Dec 85

[Text] Buenos Aires, 6 Dec (AFP) -- It was officially reported today that the sentences for the nine former military commanders charged with violating human rights during the struggle against the guerrillas in Argentina over the past decade will be announced Monday afternoon. The Civil Federal Chamber, which is conducting the trial according to the military code, will read the sentences at a public session. However, the defendants will not be present, according to the code.

The only defendant to be present will be former Air Force Commander Brigadier Omar Ruben Graffigna, who is not under arrest.

The trial began on 22 April. In August, the prosecutor recommended life imprisonment for General Jorge Videla and Roberto Viola, Admirals Emilio Massera and Armando Lambruschini, as well as for Brigadier Orlando Agosti. Prosecutor Julio Cesar Strassera also asked for a 15-year sentence for General Leopoldo Galtieri and Brigadier Graffigna, 12 years for Admiral Jorge Anaya, and 10 years for Brigadier Basilio Lami Dozo.

Spokesman Denies Amnesty

PY062041 Buenos Aires BUENOS AIRES HERALD in English 6 Dec 85 p 11

[Text] (NA-DYN) -- Presidential Spokesman Jose Ignacio Lopez, reacting to diverse interpretations of President Raul Alfonsin's speech on Wednesday, yesterday affirmed that the government will not declare an amnesty law for lower-ranking officials involved in illegal repression during the military government.

Over a hundred witnesses that earlier testified in the military junta trial yesterday presented a statement against a punto final (full stop) amnesty ruling. They questioned Alfonsin's call to "work towards reconciliation" asking: "With whom must we make up? Those who do not repent of their crimes, indeed think these haven't been enough and now threaten us with bombs and work against democracy?"

In his speech at the Episcopal Justice and Peace Commission's World Peace Seminar, Alfonsin said "It is time to prepare to give and ask forgiveness." That idea, Lopez explained "Permanently figures in the President's speeches and means we cannot build upon a divided society." The phrase further "implies support of Church documents drawn up over the past years," based on reconciliation through "justice, truth, and forgiveness," Lopez affirmed. He stressed that one of Alfonsin's first moves as President was to eliminate the military amnesty applied at the time, and would therefore be very wary of another such law.

But junta witnesses yesterday affirmed: "Our government, ministers, senators, deputies, bishops and Armed Forces commanders irresponsibly invite us to reconcile, place a full stop, look to the future, and believe there were only nine persons responsible for the horror. Who must we forgive? Murders, torturers, military officers and police chiefs who saw our women give birth tied up and blindfolded? Who followed orders? Those who raped pregnant women and kidnapped children?"

SENATE APPROVES PROMOTIONS FOR SEJAS, OTHERS

PY061955 Paris AFP in Spanish 1408 GMT 6 Dec 85

[Text] La Paz, 6 Dec (AFP) -- It was officially reported here today that the Bolivian Senate has approved the promotion of 17 generals to the next higher rank, accepting the proposal of President Victor Paz Estenssoro. The ballot was secret because of disagreements between the ruling Nationalist Revolutionary Movement (MNR) and the Nationalist Democratic Action (ADN). The senators promoted Major General Simon Sejas Tordoya to general of the force [general de fuerza]. He will be the only person to hold this rank in Bolivia.

Sejas Tordoya, who is currently commander in chief of the Bolivian Armed Forces, has given firm support first to Hernan Siles Zuazo's constitutional administration (1982-1985) and now to President Paz Estenssoro's administration, despite an onslaught of criticism from high-ranking military officers.

Meanwhile, Brigadier General Gary Prado Salmon, well-known since 1967 as the person responsible for the capture of guerrilla fighter Ernesto Che Guevara, has been promoted to major general despite the fact that both his legs are paralyzed.

Air Force Brigadier General Guillermo Escobar Uri was promoted to major general and Rear Admiral Jose Antonio Ona Costas was promoted to vice admiral.

ADN Protests

PY062045 Madrid EFE in Spanish 1457 GMT 6 Dec 85

[Text] La Paz, 6 Dec (EFE) -- Bolivian Armed Forces Commander General Simon Sejas Tordoya's promotion to general of the force, which was approved last night by the Senate, drew angry protests from the main opposition party, the National Democratic Action [ADN] Party. The ADN has thus announced that it will review its position regarding the agreement it signed with the ruling party Nationalist Revolutionary Movement [MNR]. ADN Senator Heberto Castedo Llado said that Sejas Tordoya's background disqualifies him from receiving that promotion, which the progovernment party nonetheless approved in the Senate.

The ADN congressional bloc had proposed that the Senate reconsider the promotion of Colonel Carlos Lea Plaza, but this petition was rejected by the Senate, Castedo said. The Senate rejected Lea Plaza's promotion to brigadier general for not complying with the law, alleging that this colonel had already been passed over twice by congressmen of former administrations.

The Senate has approved the promotion of 17 Armed Forces generals by secret vote during tense, secret sessions with heated debates.

ACTING FOREIGN MINISTER ON LANDLOCKED PROBLEM

PY061903 Paris AFP in Spanish 1338 GMT 6 Dec 85

[Text] La Paz, 6 Dec (AFP) -- In reply to official statements made in Santiago, Bolivian Acting Foreign Minister Valentin Abecia said here today that Chile is responsible for Bolivia's unfair landlocked situation as a consequence of a war of conquest.

Abecia recalled that the 1904 treaty that ended the 1879-84 War of the Pacific waged by Chile against Bolivia and Peru was actually an imposition applied since 1884; therefore it is called a customs stranglehold. He added that Bolivia has repeatedly proposed and is now reiterating its total predisposition to discuss a sovereign outlet to the sea without territorial compensation, and within the framework of the OAS resolutions. He also said that Bolivia's landlocked situation is a problem not only of this hemisphere but of the entire world, as pointed out in the resolutions of the OAS and the nonaligned countries. In addition, the Chilean Government has admitted that it has a pending problem with Bolivia which should be solved, Abecia said. While the La Paz government claims that the Bolivian problem requires a multilateral solution, the Santiago government stubbornly maintains its position to deal with the matter only on a bilateral level.

PRC DELEGATION OFFERS AGRARIAN COOPERATION

PY071445 La Paz Cadena Panamericana in Spanish 1130 GMT 7 Dec 85

[Text] The PRC is willing to give the Bolivian Government economic and technological cooperation for agrarian development programs, according to a statement made by Mr (Liu Chen Ling), head of the diplomatic delegation which is visiting the country. The head of the PRC delegation made the statement during a protocol visit to Agriculture, Livestock and Campesino Affairs Minister Mauricio Mamani. Mr (Liu) confirmed that his government has the best intention to cooperate positively with the Bolivian Government, particularly for the benefit of the peasants. In turn, Minister Mamani Pocoata expressed thanks for the offer and asked that the credits for agrarian projects should include the three geographical regions of the country.

GASOLINE PRICE INCREASED, TRANSPORT IN CHAOS

PY071908 La Paz Cadena Panamericana in Spanish 1700 GMT 7 Dec 85

[Text] Early this morning, the gasoline price was suddenly increased. The filling stations began charging 400,000 Bolivian pesos per liter. Surprise was immediately reflected in the chaos of public transport. Several bus owners decided to withdraw their units from service. Others, after recovering from the surprise, decided to continue working, because these are hard times and money is always needed. The taxi drivers, without waiting for authorization from anyone, of course, applied the law of supply and demand, imposing their new fares, raising them at a rate that caused indignation among the public. The bus owners are waiting for authorization to raise their fares to cover operation costs in view of the fact that the dollar rate, both official and black market, has reached its well-known extreme level, which has also occurred with fuels and other petroleum derivatives.

Talks have begun, at least, and the citizens are asking themselves why Dr Victor Paz Estenssoro's government, which is proclaiming its discipline and earnestness, does not solve the secondary problems resulting from the decision to raise the hydrocarbon prices. With the same alacrity as the gasoline price, it should resolve the problem of fares so that the public transport service is not as abruptly interrupted as it was this morning. The public deserves more consideration when such important decisions are made.

There is discontent among the bus owners, who will naturally demand a prompt decision on new fares.

SARNEY PROMISES 'SUBSTANTIAL CHANGES' IN 1986

PY061428 Sao Paulo Radio Bandeirantes Network in Portuguese 0900 GMT 6 Dec 85

[Text] Showing great optimism, President Sarney has promised to make substantial changes in 1986. During the "Chatting by the Radio" program which is aired every Friday, Sarney announced:

[Begin recording] We will go out there, wherever it is possible to work, to put an end to famine and misery in the country. This is the greatest (?demand) ever made on any government in the social area. Next year will be the year of social programs. This is the option for the poor, an option I have always talked about. Good morning. [end recording]

Cabinet Change in February

PY071705 Sao Paulo Radio Bandeirantes Network in Portuguese 1540 GMT 7 Dec 85

[Text] President Jose Sarney has announced that he intends to make a cabinet change on 15 February, when the ministers who are not holding congressional posts will have to leave their post. The eligibility of senators and deputies will expire in May.

President Sarney chatted amiably for 10 minutes with reporters and concluded the interview by saying, as Magalhaes Pinto [venerable Brazilian politician] usually says, no one should be dismissed at Christmas time.

SENATE APPROVES ECONOMIC PACKAGE; SARNEY PLEASED

PY060240 Sao Paulo Radio Bandeirantes in Portuguese 0130 GMT 6 Dec 85

[Excerpt] During a cocktail party held today in Brasilia, President Jose Sarney today described the approval of the economic package bill by Congress as a contribution to the government by the legislative branch and as proof of the harmonious relationship between the two branches. Sarney made it clear that he will not veto the economic package.

The Senate approved the economic package at 0740 today with 38 votes [words indistinct] rejecting all 77 proposed amendments.

President Sarney phoned the Democratic Alliance leaders and conveyed his gratitude to the senators of the Social Democratic Party and of the Brazilian Workers Party for helping pass the bill.

Planning Minister Comments

PY080053 Paris AFP in Spanish 2337 GMT 6 Dec 85

[Text] Rio de Janeiro, 6 Dec (AFP) -- Planning Minister Joao Sayad said here today that the Brazilian Government's main goal for 1986 will be the fight against inflation, which over the last 12 months has grown by 224.25 percent. Speaking during a press conference, Sayad added that the measures the Brazilian Government has recently enacted will permit the elimination of the public deficit in 1986. Thus, all the efforts will concentrate on the fight against inflation, which has reached an excessively high level, he said.

Concerning his country's foreign debt of $104 billion, Sayad said that this year Brazil paid $12 billion in interest, and added that the debt will not be renegotiated at a cost of the misery and unemployment of the Brazilian people.

He announced that between 11 and 18 December he will travel to the United States to negotiate World Bank credits for irrigation projects in northeastern Brazil and for electric power development projects. The loans amount to $1 tc $1.5 billion.

Sayad also said that in 1985 the Brazilian gross national product grew by 7 percent. He did not release the inflation figure for the same period.

DAILY POST Views Package

PY080124 Rio de Janeiro LATIN AMERICA DAILY POST in English 7-9 Dec 85 p 5

["Brazil's Economic Week in Review" special to the DAILY POST by Tom Murphy]

[Excerpts] Sao Paulo -- A week of parliamentary maneuvering and administration pressure resulted in passage Thursday of the government's tax and spending cut plan for 1986. The package, adding up to $4 billion in increased revenues and declining spending, was passed by both houses of Congress with minor amendments. Total government spending in 1986 should equal the equivalent of $40 billion. Deficits will equal approximately .5 percent of Gross National Product, down from 2.7 percent of GNP in 1985.

Tax measures will raise some $3 billion in 1986: These include increases for top-bracket salary earners, more rapid tax collections and increased taxes on some capital gains. However, lower-bracket workers will end up paying less and all wage and salary earners will have less money withheld from paychecks.

The package also included spending cuts adding up to approximately $1 billion. Cuts in government consulting fees, expense accounts, and hiring will account for most of the savings. The government will also raise money by selling shares in corporations currently controlled by the public.

At the same time as Congress approved the tax and spending package, the Sarney administration announced a broad program of social spending program "the top priority of the New Republic." Most prominent features of the program included distribution of food and medicines to poor families and increased spending for education.

The government won solid majorities in Congress for its overall package. However, opposition parties used obstructionist tactics in an attempt to block passage. The opposition effort was aimed at tabling the measures through Dec 5, the last scheduled day of the congressional session. If Congress had not voted by Dec 5, the measures would have died until the reopening of Congress in March.

Chief critic of the plan was PDS [Social Democratic Party] Senator Roberto Campos of Mato Grosso. Campos, a former economic planning minister, said the tax package would block corporate investment by raising capital gains levies. He was also critical of the 1986 federal budget, saying "hidden expenses and inflation" will make it difficult for the administration to keep deficits down to .5 percent of GNP.

Creditors of three bankrupt financial institutions will collect 25 percent on investments held by the institutions as a "first tranche" of a government liquidation fund, the National Monetary Council decided this week. The three institutions -- Comind, Auxiliar and Maisonnave -- were declared insolvent by federal bank examiners two weeks ago.

The council decided this week to award the 25-percent return because liquidation procedures were already "partially complete." The decision to award a partial liquidation payment was called "unprecedented" by Central Bank President Fernao Bracher. Bracher said the government will continue to audit the books of the three bankrupt institutions and will promote auctions of other institutional assets, including real estate and art works. He said the final liquidation of the three institutions could yield award of 50 percent on investments held by the creditors. Among creditors of two of the banks -- Comind and Auxiliar -- were foreign banks which had loaned $415 million to the institutions. Bracher said the foreign creditors will receive the same 25-percent partial pay-off as other creditors. He said they will receive the money in U.S. dollars taken from Brazil's foreign reserves. He said the foreign creditors will also receive the same proportion of a final settlement as Brazilian creditors.

The Central Bank this week reported Brazil's foreign debt declined in 1985 for the first time in 20 years. The bank said stable international interest rates and solid trade performance this year meant the foreign debt declined from $104 billion to $99.65 billion. The bank said estimates for 1986 foresee another, smaller decline, with the foreign debt sinking to $99.4 billion by Dec 31, 1986.

Other key points of the report showed total economic growth for 1985 estimated at 7 percent, led by a 7.9 percent rise in industrial production. The report said per capita income will rise by 4.4 percent to $1,585.

Bank President Fernao Bracher said "we have seen real increases in both employment levels and salaries this year. The living standard of Brazilians has clearly improved."

He said "solid foreign trade performance, continued growth and renewed economic vitality point the way toward consolidation of Brazil's economy and continued improvements in standard of living, at least through the end of the present decade."

A government official this week declared that "Brazil's recession is finally, officially over," with industrial production levels returning to record 1980 levels. Edmar Bacha, director of the government Statistics and Geography Institute, said "the 7.9 percent increase in industrial production this year has put Brazil back to the production level achieved in 1980, the record year in Brazil's history." Brazil suffered three straight years of GNP decline from 1981 through 1983. An incipient recovery in 1984 put some unused capacity back to work, but it took the 1985 expansion to bring Brazil back to 1980 levels, said Bacha.

Bacha noted that housing construction and high-ticket consumer goods industries were already "at the limit of production capacity," with new investments needed to bolster continued production advances. However, he said other industries, such as heavy equipment and parts and transport equipment, still had "a great deal of unused capacity. The tendency in 1986 will be to occupy more and more of that capacity." He said current government policies call for stimulation of capital investment. More rapid depreciation of plant and equipment and low capital gains taxes on the stock market should aid capital formation, he said. "In the opinion of the institute," he said, "Brazil may be headed for five years of growth at our traditional level of 7 percent per year."

FINANCE MINISTER COMMENTS ON STAND TOWARD IMF

PY070042 Brasilia Domestic Service in Portuguese 2100 GMT 6 Dec 85

[Excerpt] Brazil has given preference to its internal growth. That is why our country has changed the bases of the agreement that was being negotiated with the IMF and the creditor banks.

This statement was made by Finance Minister Dilson Funaro during the BRAZILIAN NEWS AGENCY program "Brazil Interviews." Funaro explained the Brazilian position in regard to the IMF.

[Begin recording] We have not sent mission to them nor have they sent one to us. I told IMF Director Dr de Larosiere that we would formulate our own internal adjustment plan to put our country back on its due course, because this is a task to be undertaken by Brazilians. As soon as the plan is ready and is approved by Congress, we will notify the international financial community and the IMF of the internal measures that we have taken and they can make their own evaluation of those measures. The banks will certainly hear the IMF opinion -- which we expect to be favorable because these are good measures -- at the negotiations over the extension of the credit repayment period on 17 January. However, we have made this decision because we want to build a serious country with its budget in order. [end recording]

CHIEF OF STAFF SUPPORTS NUCLEAR CYCLE RESEARCH

PY062324 Rio de Janeiro O GLOBO in Portuguese 5 Dec 85 p 8

[Text] Brasilia -- Jose Maria do Amaral, chief of staff of the Armed Forces, yesterday voiced his support for the research aimed at mastering the complete nuclear cycle for peaceful purposes and at the same time asserted that there is no interest in using the atom for military purposes. Amaral said that "we must master the complete fuel cycle in order to produce energy and all other possibilities that this technology may grant us, such as its use for genetic purposes in the agricultural field and other similar benefits." However, Amaral noted that "we must remember that the technology for making nuclear fuel may be used for producing anything from electricity to nuclear arms. Therefore, a nuclear bomb could be produced by a mere student."

According to the Armed Forces chief of staff, "It all depends on a political decision that is not in the hands of the military ministries. It falls within the jurisdiction of the president of the Republic and congress but we must not forget that an atomic bomb by itself has as much power as a soccer ball." Amaral said that a launcher as well as a control system and a protection system against electronic and electromagnetic interferences are necessary. Moreover, one needs to previously decide on the targets to be reached and to have a potential enemy. We are far from having any of these.

A journalist asked Amaral whether the bomb was necessary. Almost immediately he answered: "Not necessarily, especially now that there are effective measures against intercontinental missiles. In the past, they were the ultimate in terms of war. Nowadays, "star wars" is the maximum development technology has achieved. Under "star wars" any nuclear attack is detected by satellites and destroyed by other military satellites equipped with laser rays." Amaral then wondered: "Should research regarding counter-weapons be carried out? Of course, I am talking theoretically. We are far behind the technological development necessary to engage in a program of that nature. There is no sense in carrying out research regarding a weapon against which an effective measure has already been created."

He was asked: Mr Amaral, are you not concerned over the Argentine nuclear military program?

"I have just met in Foz do Iguacu with the Argentine defense minister, and for 2 days we discussed issues of common interest to our countries. I can assert that relations between the two countries have never been so close. President Alfonsin's visit to Itaipu [hydroelectric dam] proves this. A few years ago this would have been inadmissible."

Chaves Refuses to Comment

PY081750 Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Dec 85 p 4

[Excerpts] Brasilia -- Admiral Jose Maria de Amaral Oliveira, the chief of the Armed Forces staff (EMFA), has said that "any university is capable of developing the technology to make an atomic bomb because the same level of technology is used for the production of electric power as for a nuclear weapon."

Mines and Energy Minister Aureliano Chaves, 56, has refused to comment on reports that Brazil may have a parallel nuclear program. Meanwhile, a document drawn up by the National Nuclear Energy Commission (CNEN) and submitted to the Presidency of the Republic 2 months ago stated that some of the technologies being developed in Brazil for peaceful purposes "can be used for military purposes." According to the document, "the government believes that it is not fair to stop the development of a technology that may benefit the entire Brazilian society just because part of this technology could be used for military purposes."

Aureliano Chaves termed "ridiculous" the news that President Sarney may have rejected a proposal by Argentine President Raul Alfonsin to sign a bilateral agreement for the mutual control of nuclear programs on the grounds that such an agreement could unveil the parallel nuclear program being developed by the CNEN jointly with the Aerospace Technology Center (CTA) of the Aeronautics Ministry. In his opinion, to accept this thesis would amount to "signing a treaty of mutual distrust." The research being conducted by the CNEN and the CTA is not subject to the supervision of the International Atomic Energy Agency (AIEA), which is in charge of controlling the work undertaken under the terms of the agreement signed with the FRG in 1975. This work is subject to AIEA supervision in keeping with safeguard clauses. According to experts from the Mines and Energy Ministry, the studies being developed by the CNEN and the CTA are quite advanced and are aimed at making enriched uranium in the reactors.

CHIEF OF STAFF TO HEAD DELEGATION TO NIGERIA

PY061707 Rio de Janeiro O GLOBO in Portuguese 5 Dec 85 p 30

[Text] Brasilia -- Armed Forces General Staff (EMFA) Chief Jose Maria do Amaral will travel to Nigeria on 9 December, heading a delegation that will negotiate bilateral agreements with the new Nigerian military government. The Brazilian interest is threefold: military cooperation, "counter-trade" (bartering of goods), and oil refining. Until yesterday, the decision prevailed that the delegation was to be headed by Army Minister Leonidas Pires Goncalves. However, the Army Ministry soon told Itamaraty that it would be impossible for General Leonidas Goncalves to travel at this time because he has pressing commitments on his agenda, such as closing the academic year in several military colleges, including the Agulhas Negras War College and the Command and Staff Academy. The Brazilian Government feels that the delegation should be headed by a military authority. The EMFA chief was chosen as an alternative, and a decision was made. There are several reasons for choosing a military man to head the mission. First of all, there is interest in achieving large-scale cooperation in this area. Nigeria is interested in establishing a military industrial complex, resembling the one in Brazil, whose first step would reportedly be the construction of the Ajaokuta iron and steel works. The Nigerian Government also has another specific interest in addition to personnel training and joint naval exercise, namely the purchase of Tucano training airplanes. Military cooperation between the two countries is nothing new. The 1983, when President Figueiredo officially visited Lagos, the then Military Household Chief Rubens Ludwig held talks concerning the strengthening of military cooperation. It is very important now for the new Nigerian Government that a military man head the mission. Nigeria is one of Brazil's largest oil suppliers.

PINOCHET SAYS 'PRINCIPLES' TO CONTINUE AFTER 1989

PY062328 Santiago Domestic Service in Spanish 2200 GMT 6 Dec 85

[Excerpt] President Pinochet said today that when he says that the government will continue after 1989 he is referring to the principles for which it fought on 11 September 1973. He added: These principles for which we have worked are what must be projected beyond 1989, otherwise we would have made useless effort.

[Begin Pinochet recording] The principles for which we fought on 11 September, for which we have been working all these years, those are the principles, and rules that should be projected, otherwise we would have worked in vain; we would have made a useless effort. [end recording]

The president made this statement in the southern town of Ralun at the conclusion of his tour through the 10th region. The president also said that the Armed Forces share the aim of maintaining government principles after 1989. The president also denied that he has any personal interests for 1989. He said: The only thing I want is to have a position from where I can continue to fight against communism. He also said that there are simple posts from where this fight can be carried out without the need of such a high position as president.

The president met with the press in a restaurant in Ralun from where the beautiful Reloncavi estuary could be seen. Pinochet made an evaluation of his tour, which he compared with the one he had made in the north.

OFFICIAL DISCUSSES MATTHEI, PINOCHET REMARKS

PY060146 Santiago Radio Chilena in Spanish 2200 GMT 5 Nov 85

[Text] Interior Ministry Under Secretary Alberto Cardemil has stated that remarks by Government Junta Member Fernando Matthei refer to positive aspects of the National Accord that have been recognized by the government. Cardemil made these remarks in Puerto Montt.

The Interior Ministry under secretary stated that he did not have the complete text of General Matthei's remarks, but only a general reference on the subject, quote, and from what I have, I think that Gen Matthei's words refer to what the government has recognized as a positive aspect of the so-called National Accord. More moderate language and a change in attitude of the opposition were reflected in this document, which is different and better than that offered by the opposition in 1983. I believe Gen Matthei must have referred to this positive aspect recognized by the government, unquote.

Asked about the scope of General Pinochet's remarks that his administration will continue beyond 1989, and that he hopes to have a place in the forefront of the struggle against Marxism, Cardemil answered that the president's proposal is very clear. We are very proud of what has been done in the past 12 years. We are ready to fight rigorously, he added, because what we have been doing will be projected in the future in such a manner that men will pass from the scene, but government institutions will remain. The institutions the government has created during these years will certainly respond to the needs of the country, and will be able to respond successfully to the challenge of the 21st century. We believe this, and we are ready to fight for the continuation of our regime much beyond 1989, Cardemil concluded.

EL SALVADOR

VENCEREMOS ON DOWNED NICARAGUAN HELICOPTER

PA070427 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Dec 85

[Station commentary: "The Missile Fired in Nicaragua and the Central American Conflict"]

[Text] In the past few hours, U.S. Secretary of State George Shultz confirmed that the mercenary Somozist bands fired a portable surface-to-air missile and shot down a Nicaraguan Air Force helicopter. This missile fired in Nicaragua is another element introduced by the United States that aggravates tensions in the region. This is also a Reagan administration slap against the Contadora Group's peace efforts. Although this missile was fired perhaps by the Somozists, its use was not a counterrevolutionary action, strategically speaking, but rather it was one decided upon by the U.S. Government. Why did the Washington warmongers decide to fire the missile when they were fully aware of the serious consequences of this shot throughout the Central American region?

The overall U.S. plans in Central America have been encountering great difficulties. Despite the millions in U.S. assistance to our country, the puppet army is bogged down, while the FMLN has stepped up the wearing down and destabilizing of the enemy, expands war, and attacks in vital areas. In Nicaragua the contras, as has been admitted by U.S. experts themselves, have been strategically defeated by the Sandinist People's Army [EPS]. In Honduras, the forces that oppose the presence of U.S. troops and Somozist mercenaries on Honduran territory enjoy more and more political space inside and outside the sphere of power, thus confronting the U.S. Terrorists are also confronting the refusal of the formerly obedient Latin American countries to blindly support the U.S. plans. More and more members of the U.S. Government are openly rejecting the imperialist plans. Also, the U.S. Administration must deal with the U.S. Congressional refusal to approve all the assistance requested for the region's repressive apparatuses.

Undoubtedly, the most difficult situation is that of the contras. Recently, Nicaraguan Defense Minister Commander Humberto Ortega predicted that the mercenaries would be reduced to their minimum expression by the end of 1986 and the beginning of 1987. Ortega's statements are supported by the severe blows that the EPS has inflicted on the contras at La Penca in southern Nicaragua, at Eteli in the north, and recently at Santo Domingo. In addition, the growing division and decomposition in the counterrevolutionaries' leadership have become public domain. Also, some influential Honduran politicians and military -- loyal U.S. allies -- have begun to look with concern at the presence in their territory of 15,000 strategically defeated mercenaries. What will the Hondurans do with a defeated mercenary army in their territory? It is in this regional framework and in view of the Somozists' clear defeat that the United States has launched a desperate adventure to repair the situation. In order to lift the morale of the beaten counterrevolutionaries, the White House terrorists decided to risk all and resort to the dangerous utilization of the portable surface-to-air missiles.

The initial use of anti-aircraft missiles is accompanied by another plan that aims at guaranteeing the Honduran Government's dog-like loyalty. Not giving a hoot about Honduras' recent elections in which the government party lost, the Yankees have conspired to effect a parliamentary coup in order to have loyal Roberto Suazo Cordova in power for 2 more years.

In this way, the Yankees have shown that, despite their praises for the so-called democratic processes and their announced support for the Contadora Group, they care little about such support when it comes to changing their plans.

In an action parallel to the plot to keep Suazo Cordova in power for 2 more years, the U.S. has designed -- always anticipating the contras' disaster -- a massive growth of the Honduran Army. A brutal, massive campaign of forceful recruitment began Wednesday. Seen from any viewpoint, both the U.S. plots in Honduras and the firing of the SAM-7 missile in Nicaragua are a desperate attempt by the Washington warmongers to reorganize the Central American situation, now unfavorable to them. By firing this missile in Nicaragua, the United States upset the balance. Undoubtedly, the effects of this shot will be felt throughout Central America.

FARABUNDO MARTI EXPLAINS FMLN DIALOGUE PROPOSAL

Part 1

PA071420 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 5 Dec 85

[Special feature: "What is the FMLN's dialogue proposal?" -- Part 1]

[Text] On 24 October, the FMLN issued a new proposal to break the stalemate in the dialogue process. The proposal is based on 16 principles which define the political positions and basic goals which the FMLN seeks through the dialogue. Radio Farabundo Marti today starts a series of programs to explain to all our people that the dialogue is necessary, unavoidable, and possible when it is aimed at stopping the war and opening the doors to peace.

Following is an explanation of the FMLN's peace proposal:

The causes which originated and justify our popular revolutionary war still prevail and have become more evident and much deeper. The dialogue process cannot disregard this reality and exclude it from its agenda.

We all recall that President Duarte proposed the first meeting in La Palma to the FDR-FMLN on 8 October 1984; he asserted that the causes which originated the conflict had already disappeared. According to Napoleon Duarte, his government has already carried out an agrarian reform which eliminated the landownership problem, nationalized the banks and business sector, eliminated all abuse of human rights, and abolished the death squads. According to Duarte, the workers live in an atmosphere of democratic freedom and have found the road toward economic and social welfare. The only thing that Duarte did not say is that the Salvadorans live in a paradise where everyone dances with joy. According to Mr Duarte's argument, it is no longer necessary for the FMLN and the FDR to exist; the causes of this conflict, he tells us, have been overcome.

However, is this the truth? What is really happening in El Salvador? First of all, we find deep social and economic differences. There is an oligarchy which exerts tremendous economic and political control by dint of most of the population's poverty. We also see the working masses' current struggle, compelled by hunger, lack of opportunities, and government repression; they have organized themselves to struggle and defend their interests and rights.

Strikes, walk-outs, street activities, congresses, peasant forums, and hundreds of communiques and statements from our working people refute Duarte's statements.

The violation of human rights has become a state policy which inflicts thousands of casualties in the cities and the countryside. Bombings over the civilian population's houses and properties, the arrest of people. the population's eviction from large zones, the death squads' activities, the legalization of torture, and the militarization of work centers reveal a reality different from what Duarte proclaims. Therefore, the causes which originated the popular revolutionary war have not disappeared.

Far from disappearing, these causes have worsened. The dictatorship spends half of the nation's budget on airplanes, helicopters, sophisticated weapons, ammunition, bombs, and advisers in its mad and desparate efforts to achieve a military victory. These expenses that are made sacrifice our people's welfare because this weakens the education, health, housing, and social services budgets. Salaries remain frozen and the cost of living continues to increase. Duarte has led the country to its most grave economic crisis in his efforts to achieve a military victory, and the crisis is felt most harshly by the working masses.

The causes which have prompted the people to pick up their weapons have worsened. The Christian Democratic regime offers no specific solutions to our working masses' needs. Our people see no prospects for resolution of their enormous problems within the current Christian Democratic scheme of things. There are no jobs [6 second break in transmission] beyond the workers' reach and there are no democratic rights. The causes which motivated the current conflict are not a recent thing; their origins lie in our past of exploitation and poverty.

Therefore, it is necessary to enforce changes which seek the roots of our problems if the situation is to be resolved. Thus, the FMLN-FDR feels that the causes which pushed our people [6 second break in transmission] solved by a government in which our people are duly represented, not only a small group of oligarchs, as in the present case.

Part 2

PA080433 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 6 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 2]

[Text] Second principle: There is an objective and undeniable duality of power with a political, popular, military, and territorial expression of its own. This means that there are two powers in El Salvador.

There is the power of the working people up in arms represented by the FMLN-FDR. On the other hand, there is the Christian Democratic dictatorship headed by Duarte. This latter power serves Yankee imperialism.

The Christian Democratic dictatorship stubbornly denies the existence of this power duality and says absurd things such as that it maintains control over the entire territory, as well as telling other lies.

We can recognize the existence of a power duality in regard to the mayoral offices. Currently, there is a lengthy list of mayoral offices no longer in operation. FMLN power displaced them and replaced them with popular power. The Christian Democrat's government is incapable of regaining power in all these places because they lost them and the FMLN does not allow them to regain that power.

FMLN-FDR power is expressed in many ways. For example, it is recognized at the international level. Our delegations officially participate in many forums and are welcomed by heads of states on all continents.

FMLN-FDR power is also reflected in our convocational capability. We can, for example, totally paralyze transportation over 70 pcercent of the national territory and partially in the rest of the country.

The FMLN promotes the consolidation and development of popular power in all territories under its control. These popular powers implement food, health, self-defense, and education programs.

The government's power is being increasingly limited to large cities. This implies that the power of the popular and revolutionary project continues to grow while the government's power becomes weaker. The power of the people up in arms is increasingly extending itself throughout the entire territory.

The FMLN and the people can exercise power in many ways: by decreeing and enforcing wage rates for the workers, by decreeing regulations and taxes on big landowners, by blocking the regime's tax collection, by profoundly damaging the large oligarchic production sector, by taking control of news media, and many more ways.

There is a power duality in El Salvador. Neither of the two powers can afford to deny the other. For example, the FMLN can operate militarily in San Salvador, as our plans require. However, we do not claim to control San Salvador or fail to recognize the enemy's power.

Nevertheless, Duarte stubbornly denies the revolutionary power. This leads him to make ridiculous statements. The fact that the puppet Army can manage to place troops in towns under FMLN control does not imply that they control those towns. The fact that they cannot stay there permanently -- they always leave those towns in the end -- shows that they do not have control. The local political power in the form of mayoral offices has not prevailed in those towns either.

Therefore, we see that there is a power duality in El Salvador. Each power has its own political and military expression; each power has its own army; each power has its own international support; and each power exerts control over part of the territory.

The existence of the dual power cannot be overlooked in El Salvador. We will only be realists when we recognize this. Everything that we do and plan revolves around the existence of our power.

This is why we do not accept absurd proposals such as that of putting down our arms proposed by the regime. Nobody can impose such things on us. In the light of all this, we believe that within the dialogue process, we cannot overlook the fact that two powers exist in El Salvador and that cannot be left out in any decision regarding our country.

Part 3

PA081840 (Clandestine) Radio Fababundo Marti in Spanish to El Salvador 2300 GMT 7 Dec 85

[Special feature: "What is the FMLN's Dialogue Proposal?" -- Part 3]

[Text] Third principle: We are a political and military force that is advancing and growing. We are sure to achieve victory and we seek dialogue and a negotiated solution because we want to check greater interventionism in our country, recover our national independence, and prevent bigger social costs for our people. This is a very important principle of our proposal because it concerns our fundamental motivations in seeking a dialogue.

Unlike the government, which is promoting a tactical and dishonest dialogue, the FMLN-FDR's search for a dialogue stems from a profound aspiration by the people: The desire to see an end to the slaying of Salvadorans and for us to be able to enter a phase of reconstruction and peace.

The FMLN-FDR is on the path to victory. In this sense, our proposal is that of a developing force. Duarte's regime, on the contrary, represents a decadent power representative of the decadent interests of the local oligarchy and of imperialism. The FMLN-FDR is making its proposal precisely on the basis of its power, but, as representatives of the people's interests and democratic aspirations, we share the responsibility over the future of this conflict. The FMLN-FDR wants to avoid an intervention by U.S. troops in El Salvador because this would increase the social cost of the war tremendously. We feel that the way the conflict is going, intervention will be inevitable, because the puppet Army is being defeated. Imperialism, therefore, will be forced to intervene directly.

Our fronts feel that this conflict must be resolved within the framework of our national interests. We repudiate Duarte's increasing submissiveness vis-a-vis the U.S. Government. The FMLN-FDR feels the dialogue must be resumed as soon as possible. We cannot waste time in the face of the historic task of preventing a conflagration that we will be hard put to check later.

In accordance with the third principle of our proposal, our fronts declared the following: We are preparing to defeat the intervention. We are mobilizing the people and preparing them to bog down and defeat the Yankees should they invade us. However, our stance is not war-oriented. We believe in and seek a negotiated political solution because we believe it is both possible and necessary. We can save both ourselves and the Americans a high cost in terms of lives. We seek solutions within the framework of our national interests. We want to act autonomously and responsibly. We therefore feel that the development of a process of dialogue can eventually turn into a form of exercise in sovereignty. We therefore invite the government to resume the talks and the process of dialogue. We demand it.

UNGO SAYS REBELS CONSIDERING CHRISTMAS TRUCE

PA070356 Hamburg DPA in Spanish 0200 GMT 7 Dec 85

[Text] San Salvador, 6 Dec (DPA) — Guillermo Manuel Ungo, president of the left-wing Revolutionary Democratic Front (FDR), said today that "there is nothing concrete yet, the FMLN-FDR is considering it, but that he does not know if Archbishop Msgr Arturo Rivera y Damas and the Catholic Church want a cease-fire during the end of year festivities." [quotation marks as received]

The top leftist political leader said by telephone from Panama that the U.S. Administration and President Duarte "have invented the story that the FMLN has disavowed the FDR. This has been invented by Duarte and the U.S. Embassy."

Referring to the Contadora Group, Ungo said that Contadora has already faced its worst crisis and that it made a few small steps forward at the last meeting. Furthermore, "the need for its existence is clear, it has been requested by the Central American countries. We do not believe it is the magic wand that will solve the region's problems, but it has contributed to lessening tension."

Finally, Ungo said that to have a truce "a series of factors must be established, including the Duarte government's position. He added that the Salvadoran president's conduct does not seem very positive because he does not want to stop keeping military forces near controlled zones. [zonas controladas]

ROSAS CHAVEZ FEARS MAYORS WERE 'EXECUTED'

PA082228 Paris AFP in Spanish 1820 GMT 8 Dec 85

[Text] San Salvador, 8 Dec (AFP) -- The auxiliary bishop of San Salvador, Msgr Gregorio Rosas Chavez, today expressed fear that some of the nine mayors who were not released by the guerrillas in October in exchange for the daughter of President Jose Napoleon Duarte may have been "executed."

"I am afraid some of those persons may have already been executed. However, even in this distressing case, the family has the right to know the truth," the prelate said, while confirming a recent request from the Church to the rebels for a "satisfactory explanation" of these cases. Rosas Chavez said that "this is not a mere request" but the demand for compliance with the agreement signed with the Duarte Government in Panama by the FMLN.

The bishop also asked the guerrillas to permit the relatives of the soldiers kidnapped in Morazan, in the eastern sector of the country, to have information about the soldiers either through the International Red Cross or the Church.

The prelate also mentioned the case of Director of Civil Aeronautics Colonel Omar Avalos who was kidnapped 2 months ago by a guerrilla commando group. Continuing, Rosas Chavez reported that in the past week 32 persons were killed through violence in El Salvador. He stressed the fact that five of the victims showed evidence that the murders were committed by the death squads.

Msgr Rosas was dismayed by the murder of Antonio Cornejo, collaborator of the San Antonio parish in Soyapango, whose semi-beheaded body was found inside the Church of the Calvary in that community, 6 km east of this capital.

GUATEMALA

RUNOFF ELECTIONS HELD 8 DECEMBER; CEREZO WINS

Army Reports 'Total Calm'

PA082156 Panama City ACAN in Spanish 2112 GMT 8 Dec 85

[Text] Guatemala City, 8 Dec (ACAN-EFE) -- The Guatemala Army reported "total calm" today during the runoff elections for the next president of the Republic. The Armed Forces Public Relations Office told ACAN-EFE that the 22 military bases in the interior of the country have already reported on the normalcy of the electoral process.

Military units were deployed by the Army near the polling places that opened at 1300 GMT this morning to prevent the guerrilla groups operating in the country from obstructing the political process. In view of the increased activities by rebel groups, the Guatemalan security forces were alerted hours before the start of the elections today, just as they were during the 3 November elections. However, during the recent elections, the guerrillas did not engage in important operations and the elections proceeded normally.

The Guatemalan National Revolutionary Unity (URNG), which comprises the four main guerrilla groups operating in the country, sent a telex to the principal media in Guatemala to affirm that "we have not boycotted the elections"; however, they turned down the elections as a solution for the country.

The guerrilla information, which quoted ranking URNG leader Pablo Monsanto, pointed out that "the current electoral process has been noted for its lack of serious programs; therefore, they do not offer an alternative solution to the problems of Guatemala."

Today Guatemalans must choose between the two options which, without having obtained an absolute majority in the past elections, collected the largest number of votes.

The 2,753,572 voters must choose between the Christian Democratic Party (PDC) candidate, Vinicio Cerezo, and that of the Union of the National Center (UCN), Jorge Carpio. Cerezo led in the 3 November elections with 648,681 votes (39 percent) against 339,522 for Carpio (20 percent). However, the PDC obtained 51 of the 100 deputies elected to the Legislative Assembly, and 184 of the 330 municipal corporations throughout the country.

'Few' Participate in Voting

PA082152 Hamburg DPA in Spanish 2009 GMT 8 Dec 85

[Text] Guatemala City, 8 Dec (DPA) -- It is early in the afternoon in Guatemala and the presidential elections are taking place normally, yet few people are participating. This abstentionism could be greater than that observed during the first round of elections on 3 November.

The lines of voters at polling places have been short. A larger number of people could participate during the afternoon. Until [words indistinct] take place in the country normally.

In the capital, the police are keeping a close watch at a safe distance from the voting booths, while helicopters overfly the city as part of the authorities vigilance.

The two presidential candidates -- one of whom will be the president for the next 5 years, 1986-1991 -- cast their votes this morning. Journalist Jorge Carpio Nicolle (53), Union of the National Center (UCN) candidate, cast his vote at one of the polling tables at the Don Bosco secondary school, while Vinicio Cerezo Arevalo (43), Guatemala Christian Democracy (DC) candidate, cast his vote at one of the polling tables located at the Belen secondary school. The two schools are in Guatemala City. During the time that the two candidates were casting their votes, they were accosted by numerous journalists and television cameramen. Both candidates expressed their confidence in victory.

Carpio Concedes to Cerezo

PY091131 Madrid EFE in Spanish 1020 GMT 9 Dec 85

[Text] Guatemala, 9 Dec (EFE) -- Jorge Carpio, the presidential candidate for the Union of the National Center (UCN), conceded in the predawn hours of this morning the victory of Christian Democratic party [PDC] leader Vinicio Cerezo in the presidential elections that took place in Guatemala yesterday.

Carpio showed up at the vote-counting headquarters, located in one of the capital's hotels, to publicly acknowledge defeat and the victory of his contender. He stated: "We rejoice at this moment because even though we lost, the Guatemalan people are the true winners."

"We acknowledge Vinicio Cerezo's victory because it is obvious that this time, the people have chosen the path of Christian Democracy. This we must respect because it was the free choice of the Guatemalan people," the UCN leader stated.

He went on to say that his party will engage in a constructive opposition to the new Christian Democratic Party administration, from which Carpio expects that it will preserve free political play. Carpio added that he fears, however, the "enormous power" that the PDC has obtained because in addition to that of the president it will have absolute majority in the next Congress. Cerezo was leading the elections after 50 percent of the votes had been counted. He has 67 percent of the valid votes and has maintained this percentage since the beginning of the official vote count.

Cerezo Thanks Opponent

PA091235 Panama City ACAN in Spanish 1202 GMT 9 Dec 85

[Text] Guatemala, 9 Dec (ACAN-EFE) -- Vinicio Cerezo, Guatemalan Christian Democracy candidate has thanked his opponent Jorge Carpio for acknowledging his victory in yesterday's presidential elections. Cerezo said: "The competition has ended and we will now work together for the Guatemalan people."

Upon receiving his opponent's acknowledgement, Cerezo said: "I deeply thank Jorge Carpio for his democratic chivalry. I wish to say that I am immensely proud of Guatemala's democratic leaders." He added that he hopes to receive the support, backing, and understanding of Carpio and his party in this difficult time for Guatemala. Cerezo said that he will recognize and respect the constructive opposition that will be created so that "we can work together for our people."

Cerezo is ahead after 50 percent of the votes have been counted, 67 percent of which are valid. He has maintained the lead since the official count started.

Authorities of the Supreme Electoral Tribunal (TSE) of Guatemala already announced final voting results in this capital where Cerezo won by a wide margin, receiving twice the number of votes received by Carpio.

Military To Be Apolitical

PA071557 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 7 Dec 85

[Text] During the ceremonies commemorating the 64th anniversary of the Guatemalan Air Force, General Mejia Victores said that he believes that the Army will no longer become involved in political affairs. He was responding to a query on the possibility of a future coup d'etat. He said that the Army will return to the garrisons to comply with its specific functions as determined by the country's Constitution.

The chief of state reaffirmed yesterday that he and the Army will turn over power to whoever wins tomorrow's elections, without conditions. He said that he will respect the offer made to the Guatemala people and the world at large.

He added that there are no guerrillas in the country, that there are only subversive cells whose members have turned into terrorists and common criminals. He said that these individuals steal from farms and hold up vehicles on the highways.

Mejia Victores said that the 1986 government budget does not include appropriations to pay for the elections because the new constitution is not yet in force. He added that he does not know whether the new government or the next congress will change this situation.

The chief of state said that as long as he is in power, Guatemala will not recognize Belize's independence, adding that we do not consider it a sovereign state but apart of our territory, to which it legally and historically belongs. Regarding Belize's possible admission to the OAS in 1990, Mejia Victores said that he is awaiting Foreign Minister Fernando Andrade's return to learn what his position was in Cartagena. Until then he cannot comment, because he does not know what the official position is, he said.

GAM MARCHES ON SUPREME COURT OF JUSTICE

PA070431 Paris AFP in Spanish 0051 GMT 7 Dec 85

[Text] Guatemala City, 6 Dec (AFP) -- Approximately 100 members of the Mutual Support Group (GAM) today marched in downtown Guatemala City before presenting a habeas corpus writ for 795 missing people at the Supreme Court of Justice.

The group gathered before the National Palace where, with the use of small loudspeakers, they expressed their dissatisfaction with the military government and with General Oscar Mejia Victores, Guatemalan head of state, because of their indifference in face of the group's demands.

"Before handing over the government they must answer our questions," and "they were taken alive, we want them back alive," were the slogans shouted by the demonstrators. Most of the demonstrators were Indian women.

The march was carried out under the watchful eye of policemen and soldiers, who did not interfere until the demonstrators tried to enter the Supreme Court of Justice to present their habeas corpus writ. At the court, a police barricade stopped the GAM members and only the group's president, Nineth de Garcia, and another woman were allowed to enter and present their request before the president of the court. The group marched with the photographs of the 795 missing people represented by the GAM and as they marched they distributed leaflets among the pedestrians who were watching the demonstration.

Advisers Asked To Leave

PA070433 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 6 Dec 85

[Text] The Guatemalan Government has announced that it will continue to act firmly against foreigners who are involved in activities that in one way or another affect the country. This week the Immigration Directorate deported two Salvadorans who, pretending to be members of a Hindu religious sect, were trafficking drugs and were involved in sex abuses against Guatemalans.

French citizens and other foreigners were also deported. Some of them were charged with advising the Mutual Support Group [GAM] organization, which is demanding to know the whereabouts of missing or kidnapped people in Guatemala. Ramon Celada Carrillo, secretary of public relations of the presidency, said that the GAM was receiving advice from foreigners.

[Begin Celada recording] The reasons have already been explained. We can say that 2 years ago the GAM, unfortunately for the organization, allowed itself to be promoted and advised by people who have nothing to do with the problems of the GAM. Finally, the interfering of these people in the internal matters of Guatemala reached a certain point and the authorities have had no other recourse but to apply the immigration laws and they have been asked to leave the country. They have been given 8 days to leave the country. [end recording]

NICARAGUA

ORTEGA NEWS CONFERENCE VIEWS SAM INCIDENT

PA070020 Managua Domestic Service in Spanish 2128 GMT 6 Dec 85

[News conference given by President Daniel Ortega in the conference room of the presidential palace in Managua, in the presence of Victor Hugo Tinoco, deputy foreign Minister, Julio Lopez, chief of the FSLN International Relations Department; and Manuel Espinoza, government information official -- live]

[Text] For the past few weeks, Nicaragua has denounced specific political-military actions approved, decided upon, and implemented by the U.S. Government in the United States against the Nicaraguan people. These actions totally violate the international juridical order, continue to deny UN principles, and reject the resolution of the International Court of Justice calling on the United States to put an end to its actions against Nicaragua.

Basically, we could say that these actions have placed the peace efforts of the Contadora Group in a delicate situation. The United States is openly working against the peace efforts of Contadora and its support group. We pointed out that the approval of $25 million to introduce air, ground, and naval equipment is a decision made by the United States at a moment when Contadora is making great efforts to seek a peaceful solution to regional problems.

A statement by Secretary of State Shultz stating that even if all Central American countries sign the Contadora peace document, his country will continue to support mercenary forces clearly demonstrates the U.S. position. That country is clearly showing its position. In other words, the United States is not willing to reach a peaceful solution as demanded by Nicaragua, Latin America, and the international community.

There is a fact that is known to all who created a new situation within the framework of the crisis in the region: We are referring to the U.S. Government's decision to supply mercenary forces with surface-to-air missiles such as the [word indistinct] SAM-7. Those weapons were used by mercenary forces against a Nicaraguan Government helicopter. With this, the U.S. Goverment makes its support for a terrorist action official; this is a new turn in the regional crisis.

Yesterday, we sent a protest note to the U.S. Government in the wake of this incident in which we clearly pointed out that the U.S. Government supplied those missiles to the mercenary forces.

Approximately 1 hour ago, the U.S. State Department in Washington summoned our diplomatic representative Manolo Cordero to present him with, or rather he was to receive, a message via Mr Richard Melton, director of the State Department's Central American Office.

Among other things, the message replied to the note we sent yesterday. The U.S. Government reply to our claim, to our charge, does not in any part deny that the U.S. Government, through the CIA, gave the SAM-7 missiles to the mercenaries. The U.S. note does not deny this.

A portion of it states: The helicopter was downed by the FDN [Nicaraguan Democratic Forces] and not the United States. The use of the missiles is a logical reaction to the introduction of Soviet attack helicopters. It is the helicopters themselves and not the actions carried out against them that constitute an escalation of the Central American situation. Those helicopters are designed to inflict a large number of casualties. In addition, those helicopters are being used in Afghanistan. Therefore, the missiles used against them are defensive weapons. Nicaragua has been and continues to provoke the armed and unarmed political opposition.

This is a disgraceful note, a totally disgraceful note; we cannot describe this note any other way. [words indistinct] the note that really shows the U.S. Government's plan to step up its aggressive war against Nicaragua.

In addition to the U.S. Government's official note, Mr Shultz issued a statement today in which he said that he agrees that the FDN should have this type of missile, and hopes they have more missiles. In other words, the U.S. Government claims it is a champion against international terrorism, but it is practically encouraging international terrorism, because the United States is simply paving the way so that any irregular force on the continent may use this type of weapon. This is truly a dangerous situation; it is truly dangerous because it is proving the United States' aggressive attitude.

The U.S. Government cannot be restrained. It is launching itself against the peace efforts because it only cares to achieve its goal of destroying the Nicaraguan revolution, even if it has to encourage this type of activity. Thus, under this logic, any citizen from any country -- even from the United States -- would have a right to purchase this type of missile to shoot down helicopters.

Logically, we oppose this stepped up aggression and we hope that the international community will react against this stepped up aggression, so that the U.S. Government's terrorist aggression may be curbed -- just like when the U.S. aggression which led to the mining of our ports was stopped. We are now facing a similar terrorist aggression, because the United States is mining the airspace in the Central American region with this type of action; it is threatening the mining of airspace throughout the continent. Consequently, we appeal to the international community and the organizations created to discuss this type of problem. We trust that just as the international community has clearly stated that it opposes the United States' embargo policy against Nicaragua -- the international community clearly voted against this embargo policy at the United Nations and demanded that the United States lift the embargo against Nicaragua -- so we hope that the international community will demand that the United States cease its support to these terrorist forces, these mercenary forces, cease the delivery of missiles to the mercenary forces; cease all its activities against our country, and seek the achievement of a peaceful solution in the Central American region.

That is what we wanted to report to the journalists. We are now at your service.

[Lawford] I am Rodney Lawford, of CBS. My first question is this: Were there Cubans aboard the helicopter or not? Second, do you think that the United States is lending too much importance to the presence of Cubans here?

[Ortega] No, each time the United States launches aggressive actions, each time it has launched terrorist aggressions against Nicaragua, it has referred to the alleged presence of thousands of Cuban soldiers in our country. It talks of Cuban soldiers, of Cuban troops. Therefore, all the statements which are being currently issued by the U.S. leaders are aimed at disguising their terrorist action in supplying surface-to-air missiles to the mercenary forces. The United States is trying to disguise this terrorist action to legalize it and seek to deceive the international community this way.

[Question indistinct]

[Ortega] I believe that the United States is creating the conditions for approving more aid to the contras in order to advance what we have been constantly announcing: the danger of a direct intervention by U.S. troops in Nicaragua. We are clearly aware that the U.S. Government has been preparing an overall strategy to create the necessary conditions to launch this type of action against our country -- above all, when the United States is fully aware that the mercenary forces will never be able to defeat the Sandinist revolution.

[Osorio] I am Gabriela Osorio, of the UPI agency. What will be the Sandinist government's reaction, militarily, to the contras' use of missiles?

[Ortega] We will continue to fight militarily against the mercenary forces. We will continue to fight against the mercenary forces and to mobilize the people in this fight against the mercenary forces. In other words, we will not withdraw from the fight and our helicopters will not stop flying just because the mercenary forces have these missiles.

[Osorio] It is possible that Nicaragua may purchase another type of combat plane?

[Ortega] Well, we will again state what we have previously stated on many occasions: Nicaragua will continue to purchase all the necessary means for its defense.

[Charles McCarthy] (Charles McCarthy), of National Public Radio in the United States. Commander, what consequences will the counterrevolutionaries' use of this type of weapon have in the region? Do you think that this will pave the way for the use of this type of weapon by other groups?

[Ortega] Yes, I pointed out that the moment the United States approves the use of this type of weapon by mercenary forces, the moment the United States supplies this weapon to the mercenary forces, it will be paving the way for any irregular force in Latin America to use this type of weapon. In other words, the United States is encouraging this type of activity.

[Unidentified questioner] Mr President, what do you think about the statements by this U.S. gentleman saying that the rockets are for defensive purposes?

[Ortega] I would say that his statement is a sophism. It could also serve as an illustration for a student to explain to him the nature of a sophism and how it looks. I could only describe this statement as a disgraceful response.

It now appears that only the helicopters are the aggressors. It also appears that it is the helicopters and not the actions against them that constitute an escalation in Central America. These helicopters have been designed to inflict a large number of casualties. And to whom will these casualties be inflicted? To the terrorists that the United States sends to us. The United States would like us to confront the mercenary forces with our arms folded. So this is a completely disgraceful response.

[Carcache] Commander Ortega, (Douglas Carcache) from EL NUEVO DIARIO. Evidently, these SAM rockets also endanger civil aviation. I would like to know whether the government has considered special measures to protect civil aircraft.

[Ortega] Yes, these rockets endanger all air traffic. We have been taking the necessary measures to guarantee access to our airports and their maximum security.

[Alvarez] (Oscar Alvarez) of Radio Sandino. Commander Ortega, when the U.S. Government asserts that Nicaragua has provoked and continues to provoke armed and non-armed political opposition, what is the Nicaraguan Government's response to this?

[Ortega] Well, how can this be understood [words indistinct] that the Nicaraguan Government continues to provoke an armed political opposition? Can we not confront mercenary forces that carry out terrorist activities and murder children? The U.S. Government feels that to confront this force -- as other peoples do -- constitutes a provocation. They did not want us to confront these mercenary forces (?that they) describe as political forces. Of course, they are political forces because they are instruments of the U.S. policy. This is U.S. policy becoming reality through terrorist actions in our country.

[Loaun] Commander, (William Loaun), of THE LOS ANGELES TIMES. In view of yesterday's statements by Assistant Secretary of State Abrams, could you tell us whether there were Cubans among the helicopters crash victims and whether Cuban soldiers are fighting in Nicaragua?

[Ortega] We have Cuban advisers in Nicaragua. But there are not as many of them as the U.S. Government has said. Every time the United States (?escalates its aggression) against our country, it resorts to mentioning the alleged presence of Cuban or Soviet troops in Nicaragua, thus seeking to fool the U.S. people. But these are just U.S. Government tricks to fool the U.S. people.

[Salut] Commander, (Jose Salut), of Mexico's LA JORNADA. Why has the Nicaraguan ambassador to Washington been recalled? What has been the message?

[Ortega] We wish to discuss this matter with our ambassador so that he can better express the Nicaraguan position to the U.S. Government.

[Martinez] (Giraldo Martinez) correspondent for ACAN-EFE. We have noticed that the government is making a very active international effort to halt the delivery of these sophisticated weapons to the contras. Locally, what is the government willing to do, for example, to resolve problems with the political parties, the church, the businessmen, etc., and to resolve these problems internationally?

[Ortega] The best help that the political parties, the businessmen, and all the sectors of the nation can give to the nation is to join forces and denounce this type of action and join forces to decisively fight, with weapons in hand, the terrorist actions of the U.S. Government. Also to be willing to confront an eventual U.S. intervention.

[(Reyes)]Commander, (Jose Reyes), Sistema Sandinista Television. What will happen if the international community does not respond to Nicaragua's call for peace?

[Ortega] We have the certainty and trust that the international community will respond positively. The international community wants peace and the best proof of this has been today's statement made by the international community when it approved the resolution which demands that the U.S. Government end its trade embargo against our country.

[(Jackson)]Commander, (Paul Jackson) of THE BALTIMORE SUN. Would you please tell us whether this rocket was a Redeye or SAM-7 rocket?

[Ortega] SAM-7.

[(Jackson)]Do you believe that this rocket was supplied by the U.S. Government?

[Ortega] Yes, by the U.S. Government. The reply of the U.S. State Department has not denied our charge that they supplied the rocket. The reply justifies the use of the rocket by the mercenary forces.

[(Ellis)](June Ellis) of THE MIAMI HERALD. Commander, could you clarify whether there were Cuban advisers in the helicopter? Secondly, what will be the Nicaraguan position, the FSLN's position?

[Ortega] I have already explained that the U.S. always uses excuses to launch sanctions against Nicaragua and to include terrorist sanctions against Nicaragua. [as heard] Their best excuse is the Cuban or Soviet presence. They say that there are 2,500 Cuban soldiers in Nicaragua. This is the latest thing they have been saying.

Regarding the use of the surface-to-air missile by the unconventional [irregulares] forces on the continent, we have already said that the U.S. Government is the one legalizing the use of this type of war equipment by the unconventional forces when it says that it is all right for the FDN to have this type of weapon, and they are the ones who are really supplying the FDN with this type of war equipment.

[Unidentified reporter] Commander Ortega, today Mr Shultz congratulated the mercenaries who shot down the helicopter. He said that had he been in their place he would have done the same thing. This statement was cited by AFP. He called a news conference to explain that they are not supplying weapons to the counterrevolution. Can you comment on this?

[Ortega] Everyone knows who is approving the funds for the counterrevolution. Everyone is clearly seeing that the U.S. Government does not condemn the use of this type of war equipment by the mercenary forces. We have presented you with the statement, the reply, of the U.S. Government in which they do not deny that they have supplied the mercenary forces with these weapons. I, therefore, believe that no one in the world doubts that the U.S. Government has supplied the mercenary forces with these rockets and that it is supporting the terrorist escalation against Nicaragua.

[Unidentified speaker] Thank you.

Ortega Letter to UN

PA061504 Managua Domestic Service in Spanish 1257 GMT 6 Dec 85

[Letter from President Daniel Ortega to UN Secretary General Javier Perez de Cuellar; date not given -- read by announcer]

[Text] [Mr Secretary General:]

I address you to convey a fraternal greeting from the Nicaraguan Government and people and to inform you of the letter I addressed to the presidents of the countries that make up the Contadora Group and its Support Group on 3 December. In that letter I presented the following considerations of the Nicaraguan Government regarding the negotiation process sponsored by the Contadora Group countries.

Nicaragua has repeatedly insisted that basic conditions of security must exist to guarantee that the commitments that will be acquired will not compromise Nicaragua's sovereignty and independence. These basic conditions necessarily imply an immediate halt to the aggression against Nicaragua and a solemn commitment by the U.S. Government to stop the war against my country. Not only have these conditions been absent thus far, but the brutal aggression imposed against the Nicaraguan people at the cost of thousands of Nicaraguans lives is increasing.

In line with this position and principle, Nicaragua clearly and categorically stated during the deliberations on Central America at the UN General Assembly that the draft resolution that was to be approved should echo Nicaragua's legitimate demands and, therefore, concretely note the illegal, immoral war of aggression my country is a victim of that is worsened by the recent approval by the U.S. Congress of a law that permits the supply of aircraft, helicopters, boats, and other materiel to the mercenary forces, and by the announcement of new international military maneuvers in Central America. Nicaragua will uphold this appropriate and just position in the discussion that may arise during the ongoing OAS General Assembly in Cartagena, Colombia.

Nicaragua's position is based on new developments that imply a most serious escalation of the mercenary war, namely the move to use SA-7 surface-to-air missiles which led to the deaths on Tuesday, 3 December [as heard] of 14 Nicaraguan soldiers and to the destruction of the helicopter in which they were traveling. I must call attention to the fact that no country in this hemisphere has this kind of rocket and that the U.S. Government is the only one in the position to supply them. The use of this kind of weaponry establishes an extremely serious precedent in this hemisphere because it is the first time an unconventional force has been equipped with SA-7 surface-to-air missiles. Moreover, the possession of this weapon by unconventional forces seriously jeopardizes the safety of commercial aviation.

In view of this situation characterized by the U.S. Government's lack of good will in assuming serious, responsible agrreements to end the war against Nicaragua and make Central America a region of peace, free of all foreign military presence; we believe that so long as the conditions that guarantee the survival of Nicaragua are absent, the Contadora Group should suspend discussion of the document and undertake urgent and direct actions with the U.S. Government that will prompt that government to end the aggression against my country.

We believe that the Contadora Group should address the principal issue of the regional crisis in order to create conditions for negotiations between the Central American countries. In this context, Nicaragua has urged the Contadora Group to undertake the points for action outlined in the communique of 22 July 1985, particularly the so-called actions for detente and dialogue at Mazanillo. In view of the serious situation that prevails, Nicaragua believes it is best to suspend, until May 1986, the joint meetings of plenipotentiary representatives called to conclude the negotiations on the aspects of the document that are pending, while that group advances in directly addressing the problems linked to the policy implemented and the war of intervention conducted by the U.S. Government.

Costa Rican Government officials have already suggested postponing the discussion of the aspects of the document that are pending in response to the fact that elections will be held in that country, and to the need to allow time for the reorganization of the new governments that will be elected in Honduras and Guatemala.

I also wish to call attention to the most serious statement issued by U.S. Secretary of State [title as heard] Mr McManus and carried by THE LOS ANGELES TIMES on 2 December. He said that the U.S. Government will continue to support indefinitely the mercenary forces it created, armed, directed, and financed, even if the Central American countries sign a peace treaty. This astounding statement is new proof that the U.S. Government rejects the most basic international laws and clearly confirms the policy of threats, intimidation, and blackmail that government advances and its refusal to respect those universal principles that place law and reason above the use of force. These statements clash with and openly contradict the Contadora Group's peace efforts by escalating the boycott it has imposed against the negotiating process and making the conclusion of a peace agreement between the Central American countries virtually impossible.

Statements like these show open contempt for and mock the eventual results of the negotiations between the Central American countries. All of this shows that justice and right are with Nicaragua when it demands the establishment of basic security conditions that will allow my country to acquire commitments without compromising Nicaragua's sovereignty and independence. These developments also confirm the justness of Nicaragua's request that its demands be included in the draft resolutions that will be discussed at the United Nations and the OAS by concretely pointing to the aggression to which Nicaragua is subject.

Therefore, the statements I have referred to manifest the urgent and unpostponable need for the United States to show good will in assuming serious, responsible agreements that will lead to the end of the immoral aggression against my country. The Nicaraguan Government has protested before the U.S. Government, making an urgent call to the U.S. Administration to end immediately the boycott it has imposed against the negotiations sponsored by the Contadora Group, and to contribute to the establishment of conditions that will really allow an effective negotiation between the Central American countries. To achieve this it is imperative that the U.S. Government stop the criminal war against Nicaragua, suspend the international military maneuvers in Central America, abide by the ruling of the International Court of Justice of 10 May 1984 and the ruling that will result from the trial promoted by Nicaraguan against that government, and agree to resume the bilateral negotiations at Manzanillo.

These actions will unequivocally lead to the United States' reintegration into the international legal order created to preserve international peace and justice and therefore protect all the world's peoples from the tragedy of war and destruction like that imposed at present on the Nicaraguan people.

In informing you of these developments, I request that this note be disseminated as an official document of the UN Security Council and the UN General Assembly. Along with our recognition of your work in favor of our organization, please accept the sincere token of our appreciation.

[Signed] Daniel Ortega Saavedra

Pasos, Tinoco News Conference

PA061618 Managua Sistema Sandinista Television Network in Spanish 0300 GMT 6 Dec 85

[News conference by Captain Rosa Pasos, director of public relations and information of the Nicaraguan Defense Ministry, and Victor Hugo Tinoco, acting foreign minister, in Managua -- live]

[Text] [Moderator] We have invited the diplomatic corps to come here tonight to inform them, as well as the foreign press, about the downing of a Nicaraguan helicopter which occurred on 2 December 1985. It was an Mi-8T helicopter. This program will include the reading of an official Defense Ministry communique by Captain Rosa Pasos, director of the Defense Ministry's Public Relations Office. Later we will present a video recorded from U.S. television directly [words indistinct] and then Acting Foreign Minister Victor Hugo Tinoco will announce the official position of the Nicaraguan Government.

We are pleased to have Companero Victor Hugo Tinoco, the acting foreign minister; Companero Jose Leon Talavera, the deputy minister; Commander Emmett Lang of the Sandinist Air Force [FAS]; and Captain Rosa Pasos, director of public relations of the Saninist People's [EPS] Army and the Defense Ministry.

Capt Pasos will first read the Defense Ministry's official communique.

[Pasos] Communique No 52; The Defense Ministry reports that:

1. In the wake of the tragic incident of 2 December 1985 which claimed the lives of 14 EPS members and the destruction of Mi-8T helicopter No 270 in which the heroic Army members traveled, the FAS appointed, on the same day, a technical commission headed by Captain Leonel Martinez, chief of the FAS General Staff; Captain Alejandro Espinal Herrera; Captain Ramon Vega Rodriguez; and 1st Lieutenant Moises Centeno Valdivia to investigate immediately the cause of the downing of the helicopter.

2. After more than 60 hours of hard investigative work conducted on the remains of the helicopter and the questioning of the crew of the three other helicopters which made up the formation at the time the fatal incident and the members of the ground troops operating in that sector, as well as through reports issued by the state's intelligence and counterintelligence sectors and the Directorate of Military Intelligence, and the opinion issued by experts of the EPS Military Engineering Office, the technical commission reached the following conclusion:

Ten minutes after takeoff from Mulukuku and at an altitude of 1,000 meters, Mi-8T helicopter No 270, which was on a special mission at 1700 on 2 December 1985 with 14 EPS members aboard, including the crew, and that was part of a flight formation made up of four helicopters, was hit by an anti-anticraft missile of the Redeye (?arrow) type, also known as an SA-7.

When the missile hit the target, it forced the helicopter to turn to the right; in other words, in the direction from which the missile had been fired. The right engine stopped working immediately.

Returning to Mulukuku with one engine, the helicopter fell 15 km later and crashed into the trees between El Desprecio sector, coordinate 50 degrees, 32 minutes, 1 second [latitude or longitude designation not given]; Las Cadenas, coordinate 50 degrees, 30 minutes, and 2 second; and the Wilike Grande River, coordinate 50 degrees, 21 minutes, and 2 seconds; 12 km southeast of Mulukuku. All of the companeros aboard died, and the aircraft was destroyed when it hit the ground.

Issued in Managua on 5 December 1985

Defense Ministry's Public and Foreign Relations Directorate

[Approximately 2-minute video with background noise and an unidentified individual speaking in Spanish]

[Tinoco] Gentlemen and friends of the diplomatic corps, the segment of the video that we will try to present in a few minutes is an excerpt from the U.S. network SIN [Spanish Independent Network]. It was shot some months ago in the Las Vegas camp in Honduras and shows the counterrevolutionary forces practicing with and showing Redeye or SA-7s in the hands of the counterrevolutionary forces after being supplied by the United States.

It must be pointed out that the U.S. Government and the mercenary forces have never been concerned about concealing the fact that the mercenary forces were receiving these weapons from the U.S. Administration. In public propaganda, such as this one of the FDN [Nicaraguan Democratic Force], published in San Jose and Tegucigalpa, they publish photos of counterrevolutionaries handling this type of missile. This is an unprecedented event in the history of this kind of group. It is really unprecedented in the history of Latin America and probably of the world that a terrorist group has a weapon such as the surface-to-air missile available, which is so deadly for civil aviation and any type of aircraft.

It must be recalled that throughout this year the mercenary forces that are financed and maintained by the U.S. Government have stated clearly that they have this kind of weapon. For example, on 6 May 1985 the Honduran newspaper EL HERALDO stated that the rebels, as it called the mercenary forces, had this type of weapon. On 3 July 1985, the Costa Rican newspaper LA REPUBLICA stated the same thing. LA REPUBLICA stated: The FDN has announced that in order to face the sophisticated Soviet equipment of the EPS, it has surface-to-air missiles. A contra named Halcon said that the missiles have a high possibility of hitting the target because they are heat-seeking.

On 8 September 1985 counterrevolutionary chieftain Aristides Sanchez stated publicly that the FDN had recieved and was capable of using the (?Arrow) missiles against Sandinist aircraft. On 14 September 1985 Enrique Bermudez, the military chief of the mercenary forces, announced in public statements that his organization would soon begin attacks on Nicaraguan helicopters with portable U.S. Redeye missiles. In the same regard, on 31 October 1985 the Honduran newspaper TIEMPO stated: Recently, approximately 200 FDN members were given awards after a course on the use of the SA-7s that were made available by the United States.

On 13 November 1985 counterrevolutionary Indalecio Rodriguez stated publicly that the FDN mercenaries were being trained in the use of surface-to-air missiles and that some of the missiles had already been shown to the international press.

Since January 1985 the Nicaraguan Government has known from confidential sources that U.S. technicians have been training counterrevolutionary forces in the use of SA-7 missiles at the Las Vegas camp in Honduran territory. They have even pointed out during the training that the weakest parts of those helicopters are the rear parts. The Nicaraguan Government also learned from confidential sources during the middle of this year that approximately 30 SA-7s were given to the counterrevolutionaries at the Las Vegas base in Honduran territory by the U.S. Government.

Gentlemen of the diplomatic corps and guests, we have wanted to make these brief observations that constitute a virtual confession by the mercenaries and the United States with regard to the supply of these deadly weapons to the counterrevolutionary and terrorist FDN group. In other words, in this case there has been a confession by those involved, so there is no need for further proof. [20-second video played]

[Tinoco] Gentlemen of the diplomatic corps, we will now read a communique containing the official position of the Nicaraguan Government with regard to the downing of this Nicaraguan helicopter. [Reads Foreign Ministry communique published on page P8 of the 6 December Latin America DAILY REPORT]

This is the official position of the Nicaraguan Government on these events. We thank the diplomatic corps for its presence.

Envoy on Call to UN

PA070221 Hamburg DPA in Spanish 2212 GMT 6 Dec 85

[Text] New York, 6 Dec (DPA) -- Nicaraguan UN Ambassador Julio Icaza Gallard, said that the new escalation of aggressions promoted by the United States against his country made it necessary to request an urgent meeting of the UN Security Council.

According to Icaza Gallard, the "very serious situation created by the escalation of aggressions, repeated threats, and new provocations promoted by the current U.S. Government" are caused by the U.S. Congress' approval of "humanitarian" aid of $27 million to the counterrevolutionaries -- aid consisting among other things, of helicopters, airplanes, and boats. The Nicaraguan ambassador pointed out that the Reagan government has supplied the "contras" with sophisticated weapons such as the SAM-7 surface-to-air missiles.

"The introduction of this type of highly sophisticated weapon is very dangerous, and could represent an entirely new phase of greater danger in the Central American situation," the Nicaraguan representative said. He said that added to this are the new joint military maneuvers by the United States and Honduras in the zone, which will last for 6 months. Therefore, he found it appropriate for the Security Council to turn its attention to an examination of these elements of the Central American crisis.

Yesterday in Washington, Elliott Abrams, U.S. under secretary of state for inter-American affairs, confirmed that the so-called Nicaraguan Democratic Force [FDN] downed a Sandinist Mi-8 Soviet-made helicopter with 14 persons aboard, with a SAM-7 rocket, also Soviet-made.

He said that this missile could have been seized from the Nicaraguans themselves or acquired on the international market. Nevertheless, the Nicaraguan Government says that it was supplied to the "contras" by the U.S. Government. Icaza Gallard strongly denied that the Cuban military advisers participate in clashes with insurgent forces.

"We do not need to involve the advisers in any sovereignty struggle that is being carried out directly by the Nicaraguan people against the mercenaries financed and trained by the U.S. Central Intelligence Agency," he said.

Protest Note to Honduras

PA080020 Panama City ACAN in Spanish 2346 GMT 7 Dec 85

[By Francisco Javier Mejia]

[Excerpts] Tegucigalpa, 7 Dec (ACAN-EFE) -- The Honduran Government has not responded yet to the "strong and formal protest" by Nicaragua over the presence of counterrevolutionary commandos in Honduran territory. A Nicaraguan note delivered yesterday, Friday, to the Honduran Foreign Secretariat was signed by Nicaraguan Acting Foreign Minister Victor Hugo Tinoco.

The document stated: "The Nicaraguan Government, on presenting its most strong and formal protest, notes the urgent necessity of preventing this situation from leading to a generalized conflict and calls on the Honduran Government to put an end to the mercenary presence in its territory."

The note was addressed to Honduran Foreign Secretary Edgardo Paz Barnica and was prompted by the confirmation of the downing of a Sandinist Air Force helicopter by a "SAM-7" missile fired by rebel commands. "On 4 December the mercenary Radio 15 September reported from Tegucigalpa that a Nicaraguan helicopter had been shot down by a SAM-7 missile, which confirms the statements made some time ago when these missiles were shown to the international press at the Las Vegas camp in Honduras," the Nicaraguan protest note stated.

It added: "Nicaragua formally denounces this grave incident, because it is the first time that such sophisticated weapons have been delivered to mercenary groups." Usually the Honduran Foreign Secretariat publishes quick replies to the Nicaraguan protests, but on this occasion, as of this morning, there had been no official reaction to the protest by the Nicaraguan Government. Officially, the Honduran Government has never admitted the presence of counterrevolutionary commandos on its territory, and has not acceded either to joint patrolling of the common border to prevent the armed actions of the rebels.

Nunez on Shultz Statements

PA062321 Paris AFP in Spanish 2140 GMT 6 Dec 85

[Text] Mexico City, 6 Dec (AFP) -- The statements made today in Washington by George Shultz "are irresponsible, improper for a secretary of state, and are intended to misinform world public opinion about the military aid that the United States is giving to the counterrevolution," Commander Carlos Nunez told AFP here today. Nunez, president of the National Assembly of Nicaragua, is participating in an interparliamentary congress in Mexico.

This was the first Nicaraguan official reaction to the statements made by the U.S. secretary of state, who accused the Cubans of being "militarily active in Nicaragua" and congratulated the counterrevolutionaries for shooting down a Soviet-made helicopter with according to Shultz, two Cuban pilots aboard. Shultz warned that the United States would take additional measures to help the anti-Sandinists and that "they could be supplied with weapons to shoot down these helicopters." "We regret the bloodshed in our country as a result of the U.S. aid, and we hope that it never has to face the same situation, despite the fact that it is providing SAM-7's, surface-air missiles, to the counterrevolutionaries," Nunez indicated. Nunez denied that there were Cuban pilots in the helicopter, indicating that such report is "a U.S. maneuver to justify the criminal aid in arms that Washington is giving to those who are fighting us from Honduran territory." He said that his country's defense depends on the people's organization, their armed forces, and the government's revolutionary doctrine. "We have proven that we do not need foreign fighters to defend our country," Nunez added. "Shultz should realize that it is no picnic to invade Nicaragua. So far we have prevented the counter-revolutionaries from setting up a beachhead, and we hope the United States does not invade us because it would cost the lives of thousands of youths," Nunez said.

Demonstration at U.S. Embassy

PA062228 Paris AFP in Spanish 2154 GMT 6 Dec 85

[Excerpts] Managua, 6 Dec (AFP) -- This afternoon thousands of Nicaraguans marched around the U.S. Embassy, where Sandinist mass organizations had convoked a meeting to protest "an escalation of U.S. aggression."

The march was convoked by the Sandinist Central Organization of Workers (CST) and other progovernment organizations after anti-Sandinist forces, armed by the United States, downed a (Soviet-made) Mi-8 helicopter on Monday, killing 14 government soldiers. Hours before the meeting began, more than 50 members of the Sandinist Police mounted guard in front of the U.S. Embassy to prevent possible incidents.

CST Leader Urges Mobilization

PA061654 Managua Domestic Service in Spanish 1215 GMT 6 Dec 85

[Text] Last night Lucio Jimenez, secretary general of the Sandinist Central Organization of Workers [CST], called on the Nicaraguan people to mobilize in order to counter U.S. aggression. The labor leader condemned the use of SAM-7 surface-to-air missiles by the counterrevolutionaries and said that the entire nation should take to the streets, organize meetings and marches to reject the aggression. The people, the militiamen, and the fighters should all join the mobilization, he pointed out. Jimenez also called on the workers of the world to put an end to the war imposed against Nicaragua.

DIPLOMATIC RELATIONS ESTABLISHED WITH PRC

PA071241 Mangua Domestic Service in Spanish 1200 GMT 7 Dec 85

[Joint communique on the establishment of diplomatic relations between Nicaragua and the PRC issued in Beijing on 7 December 1985 -- read by announcer]

[Text] The Government of the Republic of Nicaragua and the Government of the PRC, according to the interests and desires of their respective peoples, have decided to establish diplomatic relations at the level of ambassadors effective 7 December 1985.

The two governments have agreed to develop friendly and cooperative relations according to the purposes and principles of the UN Charter and the fundamental norms that regulate international relations, based on the principles of mutual respect for the sovereignty and territorial integrity, nonaggression, nonintervention in each other's internal affairs, equality, and reciprocal benefits in peaceful coexistence.

The PRC Government supports Nicaragua in its struggle and defense of national independence and sovereignty.

The Nicaraguan Government recognizes the PRC Government as the only legal Chinese government and considers Taiwan as an integral part of the PRC's territory.

The two governments have agreed to provide each other with the necessary assistance for the fulfillment of diplomatic functions on the basis on equality and mutual benefits and according to international usage.

Taiwan Suspends Relations

HK080924 Hong Kong AFP in English 0910 GMT 8 Dec 85

[Text] Taipei, Dec 8 (AFP) -- Taiwan suspended diplomatic ties with Nicaragua shortly after Managua yesterday established diplomatic relations with Beijing.

In a statement last night, the foreign ministry said that "the Republic of China has launched a strong protest to the Nicaragua Government for establishing formal diplomatic relations with communist China, an unfriendly move which severely damages the rights of the Republic of China.

"We have decided to suspend relations with Nicaragua today and close down our embassy in Managua and recall our agricultural and technical missions there."

The Taipei government also urged Nicaraguan authorities to offer legal protection and fair treatment to Taiwan people who decided to stay in the country.

(In Beijing yesterday, it was officially announced that Nicaragua had established diplomatic ties with Taiwan.)

Taiwan's suspension of diplomatic ties with Nicaragua reduces to 23 the number of countries recognizing Taipei. One other Latin American country, Bolivia, also switched recognition to Beijing this year.

Further Reportage

For Chinese coverage of the establishment of diplomatic relations between Nicaragua and the PRC, including reportage on the joint communique issued in Beijing, a celebration banquet hosted by Foreign Minister Wu Xueqian, a joint press conference, a meeting with Premier Zhao Ziyang and the signing of a loan agreement, see the Western Hemisphere section of the 9 December China DAILY REPORT and subsequent issues.